United States
Securities and Exchange Commission

Washington, D.C. 20549

Form 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2012

Commission file number 1-11929

Dover Motorsports, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**51-0357525**
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)

1131 North DuPont Highway, Dover, Delaware 19901

(Address of principal executive offices)

(302) 883-6500

(Registrant s telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Class	Name of Exchange on Which Registered
Common Stock, $.10 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None.**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o

No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes o No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer o
Non-accelerated filer o	Smaller reporting company x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No x

The aggregate market value of common stock held by non-affiliates of the registrant was $20,298,660 as of June 30, 2012 (the last day of our most recently completed second quarter).

As of February 28, 2013, the number of shares of each class of the registrant s common stock outstanding is as follows:

Common Stock -	18,481,848 shares
Class A Common Stock -	18,510,975 shares

Documents Incorporated by Reference

Portions of the registrant s Proxy Statement in connection with the Annual Meeting of Stockholders to be held April 24, 2013 are incorporated by reference into Part III, Items 10 through 14 of this report.

Part I

References in this document to we, us and our mean Dover Motorsports, Inc. and/or its wholly owned subsidiaries, as appropriate.

Item 1. Business

Dover Motorsports, Inc. is a public holding company that is a leading marketer and promoter of motorsports entertainment in the United States. Through our subsidiaries, we own and operate Dover International Speedway® in Dover, Delaware and Nashville Superspeedway® near Nashville, Tennessee. Our Dover facility promoted the following six events during 2012, all of which were under the auspices of the premier sanctioning body in motorsports - the National Association for Stock Car Auto Racing (NASCAR):

- 2 NASCAR Sprint Cup Series events;
- 2 NASCAR Nationwide Series events;
- 1 NASCAR Camping World Truck Series event; and
- 1 NASCAR K&N Pro Series East event.

In 2013, we are scheduled to promote six events, all of which will be sanctioned by NASCAR and held at Dover International Speedway.

On July 20-22, 2012, the inaugural Firefly Music Festival (Firefly) was held on our property in Dover, DE for which we received a fee for the use of our property and a portion of the concession sales. The three day event was promoted by Red Frog Events and featured more than 40 musical acts. The Firefly event is scheduled to return June 21-23, 2013.

We generate revenues primarily from the following sources:

- ticket sales;
- rights fees obtained for television and radio broadcasts of our events;
- sponsorship payments;
- luxury suite rentals;
- hospitality tent rentals and catering;

- concessions and souvenir sales and vendor commissions for the right to sell concessions and souvenirs at our facilities;
- expo space rentals; and
- track rentals and other event-related revenues.

We began our motorsports operations in 1969 in Dover, Delaware. Our predecessor, Dover Downs, Inc., was also engaged in harness horse racing operations and later ran our other gaming operations. As a result of several restructurings, our operations were segregated into two main operating subsidiaries - Dover International Speedway, Inc., incorporated in 1994, encompassed our motorsports operations, and Dover Downs, Inc., incorporated in 1967, conducted our gaming operations.

Effective March 31, 2002, we spun-off our gaming business which was then owned by our subsidiary, Dover Downs Gaming & Entertainment, Inc. (Gaming). On a tax-free basis, we made a pro rata distribution of all of the capital stock of Gaming to our stockholders. Our continuing operations subsequent to the spin-off consist solely of our motorsports activities.

Nashville Superspeedway no longer promotes NASCAR events and did not seek sanction agreements from NASCAR for 2012 or 2013. We continue to use the track for motorsports race team testing and are currently evaluating all of our options for the facility. We incurred a non-cash impairment charge of $15,687,000 and severance costs of approximately $150,000 in the third quarter of 2011 as a result of our decision to no longer promote NASCAR events at this facility (see NOTE 3 Impairment Charges of the consolidated financial statements included elsewhere in this document for further discussion). Additionally, we recorded a $2,250,000 provision for contingent obligation reflecting the present value of the estimated portion of the Wilson County bonds debt service that may not be covered by the projected sales and incremental property taxes from the facility (see NOTE 13 Commitments and Contingencies of the consolidated financial statements included elsewhere in this document for further discussion). Due to changing interest rates, the provision for contingent obligation decreased by $316,000, net, in 2012 and is $1,934,000 at December 31, 2012.

We closed our Gateway facility in the fourth quarter of 2010 and terminated all of our leases for the real property underlying the racetrack in 2011. In September 2012, we sold all but one parcel of land we owned at the Gateway facility for $585,000 and recognized a loss on sale of $52,000. We continue to own approximately 14 acres of undeveloped land near the Gateway facility (see NOTE 4 Discontinued Operation of the consolidated financial statements included elsewhere in this document for further discussion).

We closed our Memphis Motorsports Park facility in October 2009 and executed an agreement to sell it in December 2010. The real estate sale closed on January 31, 2011. After closing costs and including the proceeds from the separate sale of all personal property at the facility in December 2010, our net proceeds were approximately $2,000,000. Since the carrying amount of the long-lived assets of the Memphis facility exceeded the sales price, we recognized a non-cash impairment charge of $809,000 in the fourth quarter of 2010 (see NOTE 3 Impairment Charges of the consolidated financial statements included elsewhere in this document for further discussion).

Dover International Speedway

We have promoted NASCAR-sanctioned racing events for 44 consecutive years at Dover International Speedway and currently promote six NASCAR-sanctioned events at the facility annually. Two races are in the NASCAR Sprint Cup Series professional stock car racing circuit, two races are in the NASCAR Nationwide Series racing circuit, one race is in the NASCAR Camping World Truck Series racing circuit and one race is in the NASCAR K&N Pro Series East racing circuit. Both NASCAR Sprint Cup Series events at Dover are scheduled to be broadcast on network television in 2013.

Each of the NASCAR Nationwide Series events, the Camping World Truck Series event and the K&N Pro Series East event at Dover International Speedway are conducted on the days before a NASCAR Sprint Cup Series event. Dover International Speedway is one of only six speedways in North America that presents two NASCAR Sprint Cup Series events and two NASCAR Nationwide Series events each year. Additionally, it is one of only seven tracks to host three major NASCAR events at one facility on the same weekend. The spring and fall event dates have historically allowed Dover International Speedway to hold the first and last NASCAR Sprint Cup Series events in the Maryland to Maine region each year. Our fall event had historically been the second of ten races in the Chase for the NASCAR Sprint Cup which determines the NASCAR Sprint Cup Series champion for the racing season. Starting in 2011, our fall event was the third race to determine the championship.

Dover International Speedway, widely known as the Monster Mile®, is a high-banked, one-mile, concrete superspeedway with permanent seating capacity of approximately 113,000. Unlike some superspeedways, substantially all grandstand and skybox seats offer an unobstructed view of the entire track. The concrete racing surface makes Dover International Speedway the only concrete superspeedway (one mile or greater in length) that conducts NASCAR Sprint Cup Series events. The superspeedway facility also features the Monster Bridge®. The climate controlled bridge spans across the width of the superspeedway at a height of 29 feet and houses 50-luxury seats, a refreshment bar and other amenities. The Monster Bridge is the only one of its kind in the motorsports industry and has been patented.

Nashville Superspeedway

In April 2001, we opened Nashville Superspeedway (Nashville) a motorsports complex approximately 35 miles from downtown Nashville in Wilson County, Tennessee. The 1.33-mile concrete superspeedway has 25,000 permanent grandstand seats. Nashville Superspeedway promoted two NASCAR Nationwide Series events and two

NASCAR Camping World Truck Series event during the 2011 season. The facility also hosted other regional and national touring events, as well as track rentals.

Nashville Superspeedway no longer promotes NASCAR events and did not seek sanction agreements from NASCAR for 2012 or 2013. We continue to use the track for motorsports race team testing and are currently evaluating all of our options for the facility.

Agreements with NASCAR

Sanction agreements are entered into with NASCAR on an annual basis. Pursuant to the typical NASCAR sanction agreement, NASCAR grants its sanction to a promoter, such as Dover International Speedway, to organize, promote and hold a particular competition. The promoter sells tickets to the competition, sells or arranges for the sale of merchandise and concessions, and sells advertising, sponsorships and hospitality services. NASCAR conducts the competition, arranges for the drivers, and has sole control over the competition, including the right to require alterations to the promoter s facility and the right to approve or disapprove any advertising or sponsorship of the promoter. NASCAR also has exclusive rights to exploit live broadcast and certain broadcast and intellectual property rights related to the competition, and exclusive rights to sponsorship and promotional rights relative to the series to which a particular competition belongs. The promoter must pay the sanction fee and purse monies and receives a share of the live broadcast revenue contracted for by NASCAR. The promoter is responsible for the condition of the facility, for compliance with laws, for control of the public, for fire and medical equipment and personnel, for security, for insurance and for providing facilities and services required by NASCAR officials and the live broadcast personnel.

Dover International Speedway, Inc. has entered into two sanction agreements with NASCAR pursuant to which it will organize and promote two NASCAR Sprint Cup Series events in 2013. Our business is substantially dependent on these two agreements. The economic terms of the two sanction agreements between NASCAR and Dover International Speedway relative to its 2013 NASCAR Sprint Cup Series competitions are as follows: Total purse and sanction fee to be paid by Dover International Speedway is $6,432,000 for the June event and $5,740,000 for the September event. Estimated live broadcast revenue to be recognized by Dover International Speedway is $14,037,000 for the June event and $11,626,000 for the September event. Live broadcast revenue figures are based on the assumption that all events on the 2013 NASCAR Sprint Cup Series schedule take place and that all promoters will be entitled to their respective percentage allocations as set by NASCAR. Dover International Speedway has historically been entitled to share, along with other promoters, in income which NASCAR derives from exploiting certain other broadcast and intellectual property rights. We anticipate that this income will not be material in 2013.

Under the terms of our sanction agreements, NASCAR retains 10% of the gross broadcast rights fees allocated to each NASCAR-sanctioned event as a component of its sanction fee. The remaining 90% is recorded as revenue. The event promoter is required to pay 25% of the gross broadcast rights fees to the event as part of the awards to the competitors, which we record as operating expenses.

Impairment Charges Recorded in 2011

Based upon the economic conditions that existed in the third quarter of 2011 and their impact on our current and projected operations and cash flows at that time, and the potential impact on real estate valuations, combined with our decision to notify NASCAR that we would not seek 2012 sanction agreements, we concluded that it was necessary for us to review the carrying value of the long-lived assets at Nashville for impairment. The recoverability of assets to be held and used was measured by a comparison of the carrying amount of the asset to the estimated undiscounted future cash flows expected to result from the use and eventual disposition of the asset. As a result of the recoverability test, we concluded that the carrying amount of our Nashville facility exceeded the undiscounted cash flows.

Since the carrying amount of the assets exceeded the fair value, an impairment charge was recognized by the amount by which the carrying amount of the assets exceeded the fair value. Fair value of the assets for the Nashville facility was determined based on the value of owned real estate at the facility. The long-lived assets deemed to be impaired consisted of track facilities.

Based on the results of this analysis, we recorded a non-cash impairment charge in the third quarter of 2011 to write-down the carrying value of long-lived assets at our Nashville facility to fair value, as follows:

	Carrying Value of Long-Lived Assets	Fair Value of Long-Lived Assets	Non-Cash Impairment Charges
Nashville facility	$ 46,016,000	$ 30,329,000	$ 15,687,000

Impairment Charges Recorded in 2010

Based upon the economic conditions that existed in the second quarter of 2010 and their impact on our current and projected operations and cash flows at that time, and the potential impact on real estate valuations, combined with our decision to notify NASCAR that we would not seek 2011 sanctions for the two Nationwide Series and one Camping World Truck Series events at our Gateway facility, we concluded that it was necessary for us to review the carrying value of the long-lived assets at Gateway for impairment. The recoverability of assets to be held and used was measured by a comparison of the carrying amount of the asset to the estimated undiscounted future cash flows expected to result from the use and eventual disposition of the asset. As a result of the recoverability test, we concluded that the carrying amount of our Gateway facility exceeded the undiscounted cash flows.

Since the carrying amount of the assets exceeded the fair value, an impairment charge was recognized by the amount by which the carrying amount of the assets exceeded the fair value. Fair value of the assets for the Gateway facility was determined based on the value of owned real estate at the facility. The long-lived assets deemed to be impaired consisted of track facilities.

Based on the results of this analysis, we recorded a non-cash impairment charge in the second quarter of 2010 to write-down the carrying value of long-lived assets at our Gateway facility to fair value, as follows:

	Carrying Value of Long-Lived Assets	Fair Value of Long-Lived Assets	Non-Cash Impairment Charges
Gateway facility	$ 9,464,000	$ 1,500,000	$ 7,964,000

We closed our Memphis Motorsports Park facility in October 2009 and executed an agreement to sell it in December 2010. The real estate sale closed on January 31, 2011. After closing costs and including the proceeds from the separate sale of all personal property at the facility, our net proceeds were approximately $2,000,000, all of which was used to pay down indebtedness of the Memphis facility. Since the carrying amount of the long-lived assets of the Memphis facility exceeded the sales price, we recognized a non-cash impairment charge of $809,000 in the fourth quarter of 2010.

Competition

Our racing events compete with other racing events sanctioned by various racing bodies and with other sports and recreational events scheduled on the same dates. Racing events sanctioned by different organizations are often held on the same dates at different tracks. The quality of the competition, type of racing event, caliber of the event, sight lines, ticket pricing, location and customer conveniences, among other things, differentiate the motorsports facilities. We also compete with improving and expanding media coverage and content by network and cable broadcasters.

Seasonality

We derive a substantial portion of our total revenues from admissions, television broadcast rights and other event-related revenue attributable to two major motorsports event weekends held in the spring and fall. As a result, our business is highly seasonal.

Employees

As of December 31, 2012, we had approximately 50 full-time employees and 4 part-time employees. We engage temporary personnel to assist during our motorsports racing season, many of whom are volunteers. We believe that we enjoy a good relationship with our employees.

Available Information

We file annual, quarterly and current reports, information statements and other information with the United States Securities and Exchange Commission (the SEC). The public may read and copy any materials we file with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of that site is http://www.sec.gov.

Internet Address

We maintain a website where additional information concerning our business and various upcoming events can be found. The address of our Internet website is http://www.dovermotorsports.com. We provide a link on our website, under Investor Relations, to our filings with the SEC, including our annual report on Form 10-K, proxy statement, Section 16 reports, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports.

Item 1A. Risk Factors

In addition to historical information, this report includes forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, relating to our financial condition, profitability, liquidity, resources, business outlook, proposed acquisitions, market forces, corporate strategies, consumer preferences, contractual commitments, legal matters, capital requirements and other matters. Documents incorporated by reference into this report may also contain forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. To comply with the terms of the safe harbor, we note that a variety of factors could cause our actual results and experience to differ substantially from the anticipated results or other expectations expressed in our forward-looking statements. When words and expressions such as: believes, expects, anticipates, estimates, plans, intends, objectives, aims, projects, forecasts, possible, seeks, may, could, should, might, likely or similar words or expressions are used, as well a our view, there can be no assurance or there is no way to anticipate with certainty, forward-looking statements may be involved.

In the section that follows below, in cautionary statements made elsewhere in this report, and in other filings we have made with the SEC, we list important factors that could cause our actual results to differ from our expectations. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors described below and other factors set forth in or incorporated by reference in this report.

These factors and cautionary statements apply to all future forward-looking statements we make. Many of these factors are beyond our ability to control or predict. Do not put undue reliance on forward-looking statements or project any future results based on such statements or on present or prior earnings levels.

Additional information concerning these, or other factors, which could cause the actual results to differ materially from those in our forward-looking statements is contained from time to time in our other SEC filings. Copies of those filings are available from us and/or the SEC.

Our Relationships With And The Success Of NASCAR Is Vital To Our Success In Motorsports

Our continued success in motorsports is dependent upon the success of NASCAR and our ability to secure favorable contracts with and maintain a good working relationship with them. NASCAR regularly issues and awards sanctioned events and their issuance depends, in large part, on maintaining good working relationships with NASCAR. Our NASCAR events are sanctioned on an annual basis with no contractual obligation to renew. By awarding a sanctioned event or a series of sanctioned events, NASCAR does not warrant, nor are they responsible for, the financial success of any sanctioned event. Our success is directly tied to our ability to negotiate favorable terms to our sanction agreements, including the amount of the sanction fee and purse, and our ability to continue to derive economic benefits from such agreements, such as our share of live broadcast revenues.

Our ability to obtain additional sanctioned events in the future and to negotiate favorable terms to our sanction agreements and the success of NASCAR in attracting drivers and teams, signing series sponsors and negotiating favorable television and/or radio broadcast rights is dependent on many factors which are largely outside of our control. As our success depends on the terms of our sanction agreements and the success of each event or series that we are promoting, a material change in the terms of a sanction agreement or a material adverse effect on NASCAR, such as the loss or defection of top drivers, the loss of significant series sponsors, or the failure to obtain favorable broadcast coverage or to properly advertise the event or series could result in a reduction in our revenues from live broadcast coverage, admissions, luxury suite rentals, sponsorships, hospitality, concessions and merchandise, which could have a material adverse effect on our business, financial condition and results of operations.

Changes To Media Rights Revenues Could Adversely Affect Us

Broadcast revenues that are paid to us by NASCAR represent the largest component of our revenues and earnings and any adverse changes to such revenues could adversely impact our results. NASCAR s broadcast agreements, which expire in 2014, have yielded us significant cash flow. In October 2012, NASCAR signed an eight-year extension of its broadcast rights with FOX Sports Media Group (FOX). This agreement extends through the 2022 NASCAR season and allows FOX to retain the television rights to various NASCAR Sprint Cup Series races and the entire NASCAR Camping World Truck Series season. Coverage of other NASCAR series races that are not included in this agreement with FOX must still be negotiated by NASCAR. Any material changes in the broadcast industry that could lead to differences in historical practices or decreases in the term and/or financial value of future broadcast agreements could have a material adverse affect on our revenues and financial results.

We Rely On Sponsorship Contracts To Generate Revenues

We receive a portion of our annual revenues from sponsorship agreements, including the sponsorship of our various events and venue, such as title, official product and promotional partner sponsorships, billboards, signage and skyboxes. We are continuously in negotiations with existing sponsors and actively seeking new sponsors as there is significant competition for sponsorships. Some of our events may not secure a title sponsor every year, may not secure a sufficient number of sponsorships on favorable terms, or may not secure sponsorships sufficiently enough in advance of an event for maximum impact. Loss of our existing title sponsors or other major sponsorship agreements or failure to secure sponsorship agreements in the future on favorable terms could have a material adverse effect on our business, financial condition and results of operations.

Our Motorsports Events Face Intense Competition For Attendance, Television Viewership And Sponsorship

We compete with other auto speedways for the patronage of motor racing spectators as well as for sponsorships. Moreover, racing events sanctioned by different organizations are often held on the same dates at different tracks. The quality of the competition, type of racing event, caliber of the event, sight lines, ticket pricing, location and customer conveniences, among other things, distinguish the motorsports facilities. In addition, all of our events compete with other sports and recreational events scheduled on the same dates. As a result, our revenues and operations are affected not only by our ability to compete in the motorsports promotion market, but also by the availability of alternative spectator sports events, forms of entertainment, changing consumer preferences and opportunities for corporations to acquire sponsorships.

General Market And Economic Conditions, Including Consumer And Corporate Spending, Could Negatively Affect Our Financial Results

Our financial results depend significantly upon a number of factors relating to discretionary consumer and corporate spending, including economic conditions affecting disposable consumer income and corporate budgets. The combination of high unemployment, high fuel prices, escalating health care costs, tight credit markets, difficult residential real estate and mortgage markets, stock market volatility, changes in (together with political uncertainty concerning) governmental policies relative to spending, taxation and regulation, among other factors, have led to low levels of consumer confidence. These economic factors have dampened, and may continue to dampen, consumer and corporate spending, including adversely impacting disposable income and recreational and entertainment spending, resulting in a negative impact on our motorsports and non-motorsports activities. We are unable to quantify the effect of these economic factors, but we believe that reduced consumer and corporate spending has, and we believe will continue to, negatively impact admissions, sponsorship, advertising and hospitality spending, concession and souvenir sales demand, luxury suite, and other event related revenue, with related effects on our revenues, profitability and cash flows. High fuel prices could also significantly impact our future results.

These factors can impact both attendance at our events and advertising and marketing dollars available from the motorsports industry s principal sponsors and potential sponsors. Economic and other lifestyle conditions such as illiquid consumer and business credit markets adversely affect consumer and corporate spending thereby impacting our growth, revenue and profitability. Unavailability of credit on favorable terms or increases in interest rates can adversely impact our operations, growth, development and capital spending plans.

We cannot determine when or whether economic conditions will improve. Other factors that can affect consumer and corporate spending include hurricanes, flooding, earthquakes and other natural disasters, elevated terrorism alerts, terrorist attacks, military actions, air travel concerns, and geopolitical events, as well as various industry and other business conditions. Such factors or incidents, even if not directly impacting us, can disrupt or otherwise adversely impact the financial results, spending sentiment and interest of our present or potential customers. There can be no assurance that consumer and corporate spending will not be further adversely impacted by current or unforeseen economic or geopolitical conditions, thereby possibly having a material adverse impact on our future operating results and growth.

The Sales Tax And Property Tax Revenues To Service The Revenue Bonds For Infrastructure Improvements At Nashville May Be Inadequate

In September 1999, the Sports Authority of the County of Wilson (Tennessee) issued $25,900,000 in revenue bonds to build local infrastructure improvements which benefit the operation of Nashville Superspeedway, of which $19,600,000 was outstanding on December 31, 2012. Debt service on the bonds is payable solely from sales taxes and incremental property taxes generated from the facility. As of December 31, 2012 and 2011, $1,758,000 and $1,534,000, respectively, was available in the sales and incremental property tax fund maintained by the Sports Authority to pay the remaining principal and interest due under the bonds. During 2012, we paid $957,000 into the sales and incremental property tax fund and $733,000 was deducted from the fund for principal and interest payments. These bonds are direct obligations of the Sports Authority and therefore have historically not been required to be recorded on our consolidated balance sheet. In the event the sales taxes and incremental property taxes (applicable taxes) are insufficient to cover the payment of principal and interest on the bonds, we would become responsible for the difference. We are exposed to fluctuations in interest rates for these bonds. In the event we were unable to make the payments, they would be made under a $19,929,000 irrevocable direct-pay letter of credit issued by our bank group. We would be responsible to reimburse the banks for any drawings made under the letter of credit. Such an event could have a material adverse effect on our business, financial condition and results of operations and compliance with debt covenants.

On August 3, 2011, we announced that Nashville Superspeedway had notified NASCAR that it would not seek 2012 sanction agreements and therefore we no longer promote NACAR events at this facility. Since the facility will no longer generate sales taxes from these events, we have estimated that a portion of the debt service may not be covered by applicable taxes. As a result, we recorded a $2,250,000 provision for contingent obligation reflecting the present value of the estimated portion of the Wilson County bonds debt service that may not be covered by applicable taxes from the facility. Due to changing interest rates, the provision for contingent obligation decreased by $316,000, net, in 2012 and is $1,934,000 at December 31, 2012. An increase in interest rates would result in an increase in the portion of debt service not covered by applicable taxes and therefore an increase in our liability.

We Have A Significant Amount Of Indebtedness

As of December 31, 2012, we had total outstanding long-term debt of $19,700,000 under our credit facility. This is in addition to the Nashville Bonds described above. This indebtedness and any future increases in our outstanding borrowings could:

- make it more difficult for us to satisfy our debt obligations;
- increase our vulnerability to general adverse economic and industry conditions or a downturn in our business;
- increase our costs or create difficulties in refinancing or replacing our outstanding obligations;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, dividends and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; and
- subject us to the risks that interest rates and our interest expense will increase.

In addition, our credit facility is secured by substantially all of our assets and contains financial ratios that we are required to meet and other restrictive covenants that, among other things, limit or restrict our ability to pay dividends, borrow additional funds, make acquisitions, create liens on our properties and make investments. On October 2, 2012, the credit agreement was modified to allow us to repurchase shares of our common stock in the open market and/or pay dividends with respect to our common stock for an aggregate amount of not more than $2,500,000 in any fiscal year.

Our ability to meet these financial ratios and covenants can be affected by events beyond our control, and there can be no assurance that we will be able to meet them. If there were an event of default under our credit facility, the lenders could elect to declare all amounts outstanding to be immediately due and payable. If we were unable to repay these amounts, the lenders could proceed against the collateral granted to them to secure the indebtedness.

The Seasonality Of Our Motorsports Events Increases The Variability Of Quarterly Earnings

Our business has been, and is expected to remain, seasonal given that it depends on our outdoor event weekends. We derive substantially all of our motorsports revenues from admissions, event-related and broadcasting revenue attributable to our NASCAR-sanctioned events at Dover, Delaware which were held in June and September in 2012. In 2011, these events were held in May and October. Total revenues from these events were approximately 99%, 90% and 90% of total revenues for 2012, 2011 and 2010, respectively. As a result, quarterly earnings will vary.

Substantially All Of Our Motorsports Revenue is Attributable to One Location

Substantially all of our motorsports revenue comes from Dover International Speedway in Dover, Delaware. Any prolonged disruption of operations at this facility due to damage or destruction, inclement weather, natural disaster, work stoppages or other reasons could adversely affect our financial condition and results of operations. We maintain property and business interruption insurance to protect against certain types of disruption, but there can be no assurance that the proceeds of such insurance would be adequate to repair or rebuild our facilities or to otherwise compensate us for lost profits.

Our Insurance May Not Be Adequate To Cover Catastrophic Incidents

We maintain insurance policies that provide coverage within limits that are sufficient, in the opinion of management, to protect us from material financial loss incurred in the ordinary course of business. We also purchase special event insurance for motorsports events to protect against race-related liability. However, there can be no assurance that this insurance will be adequate at all times and in all circumstances. If we are held liable for damages beyond the scope of our insurance coverage, including punitive damages, our business, financial condition and results of operations could be materially and adversely affected.

In addition, sanctioning bodies could impose more stringent rules and regulations for safety, security and operational activities. Such regulations have included, for example, the installation of new retaining walls at our facilities, which have increased our capital expenditures, and increased security procedures which have increased our operational expenses.

Bad Weather Can Have An Adverse Financial Impact On Our Motorsports Events

We sponsor and promote outdoor motorsports events. Weather conditions, or even the forecast of poor weather, can affect sales of tickets, concessions and merchandise at these events. Although we sell many tickets well in advance of the outdoor events and these tickets are issued on a non-refundable basis, poor weather may adversely affect additional ticket sales and concessions and merchandise sales, which could have an adverse effect on our business, financial condition and results of operations.

We do not currently maintain weather-related insurance for major events. Due to the importance of clear visibility and safe driving conditions to motorsports racing events, outdoor racing events may be significantly affected by weather patterns and seasonal weather changes. Any unanticipated weather changes could impact our ability to stage events. This could have a material adverse effect on our business, financial condition and results of operations.

Postponement And/Or Cancellation Of Major Motorsports Events Could Adversely Affect Us

If one of our events is postponed because of weather or other reasons such as, for example, the general postponement of all major sporting events in this country following the September 11, 2001 terrorism attacks, we could incur increased expenses associated with conducting the rescheduled event, as well as possible decreased revenues from tickets, concessions and merchandise at the rescheduled event. If an event is cancelled, we could incur the expenses associated with preparing to conduct the event as well as lose the revenues, including live broadcast revenues associated with the event.

If a cancelled event is part of a NASCAR series, we could experience a reduction in the amount of money received from television revenues for all of our NASCAR-sanctioned events in the series that experienced the cancellation. This would occur if, as a result of the cancellation, and without regard to whether the cancelled event was scheduled for one of our facilities, NASCAR experienced a reduction in broadcast revenues greater than the amount scheduled to be paid to the promoter of the cancelled event.

Due To Our Concentrated Stock Ownership, Stockholders May Have No Effective Voice In Our Management

We have elected to be treated as a controlled corporation as defined by New York Stock Exchange (NYSE) Rule 303A. We are a controlled corporation because a single person, Henry B. Tippie, the Chairman of our Board of Directors, controls in excess of fifty percent of our voting power. This means that he has the ability to determine the outcome of the election of directors at our annual meetings and to determine the outcome of many significant corporate transactions, many of which only require the approval of a majority of our voting power. Such a concentration of voting power could also have the effect of delaying or preventing a third party from acquiring us at a premium. In addition, as a controlled corporation, we are not required to comply with certain NYSE rules.

We May Not Be Able To Maintain Our Listing With The NYSE

Our Common Stock is traded on the NYSE under the symbol DVD. We are required to maintain market capitalization of more than $50,000,000 (measured over a 30 day trading period) or stockholders equity of more than $50,000,000 in order to remain in compliance with NYSE continued listing standards. On November 4, 2011, we were notified by the NYSE that we are below criteria for these continued listing standards because, as of November 1, 2011, our 30 trading-day average market capitalization was $42.3 million and our stockholders equity as of September 30, 2011 was $40.9 million.

We had 45 days from receipt of that notice to submit a plan to the NYSE and demonstrate our ability to achieve compliance with continued listing standards within 18 months. The plan we submitted was accepted by the NYSE. As a result, our common stock will continue to be listed on the NYSE, subject to quarterly reviews by the NYSE s

Listing and Compliance Committee. As of December 31, 2012, we were in compliance with the NYSE s market capitalization requirement.

Non-compliance with NYSE continued listing standards or delisting from the NYSE could negatively impact us, including, without limitation, our relationships with stockholders, businesses and lenders, our access to debt and equity financing, and our ability to attract and retain personnel by means of equity compensation. This, in turn, could materially and adversely affect our business, financial condition and results of operations. Securities traded in the over-the-counter market generally have significantly less liquidity than securities traded on a national securities exchange, through factors such as a reduction in the number of investors that will consider investing in the securities, the number of market makers in the securities, reduction in securities analyst and news media coverage and lower market prices than might otherwise be obtained.

Our Success Depends On The Availability And Performance Of Key Personnel

Our continued success depends upon the availability and performance of our senior management team which possesses unique and extensive industry knowledge and experience. Our inability to retain and attract key employees in the future, could have a negative effect on our operations and business plans.

We Are Subject To Changing Governmental Regulations And Legal Standards That Could Increase Our Expenses

Our motorsports facilities are on large expanses of property which we own. Laws and regulations governing the use and development of real estate may delay or complicate any improvements we choose to make and/or increase the costs of any improvements or our costs of operating.

If it is determined that damage to persons or property or contamination of the environment has been caused or exacerbated by the operation or conduct of our business or by pollutants, substances, contaminants or wastes used, generated or disposed of by us, or if pollutants, substances, contaminants or wastes are found on property currently or previously owned or operated by us, we may be held liable for such damage and may be required to pay the cost of investigation and/or remediation of such contamination or any related damage.

State and local laws relating to the protection of the environment also can include noise abatement laws that may be applicable to our racing events. In addition certain laws and regulations, including the Americans with Disabilities Act and the Occupational Safety and Health Act are constantly evolving. Changes in the provisions or application of federal, state or local environmental, land use or other laws, regulations or requirements to our facilities or operations, or the discovery of previously unknown conditions, could require us to make additional material expenditures to remediate or attain compliance.

Regulations governing the use and development of real estate may prevent us from acquiring or developing prime locations for motorsports entertainment facilities, substantially delay or complicate the process of improving existing facilities, and/or increase the costs of any of such activities.

We undertake no obligation to publicly update or revise any forward-looking statements as a result of future developments, events or conditions. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ significantly from those forecast in any forward-looking statements. Given these risks and uncertainties, stockholders should not overly rely or attach undue weight to our forward-looking statements as an indication of our actual future results.

Item 1B. Unresolved Staff Comments

We have not received any written comments that were issued within 180 days before December 31, 2012, the end of the fiscal year covered by this report, from the SEC staff regarding our periodic or current reports under the Securities Exchange Act of 1934 that remain unresolved.

Item 2. Properties

Dover International Speedway

Dover International Speedway is located in Dover, Delaware, on approximately 770 acres of land we own. Prior to the spin-off of Gaming from our company in 2002, both companies shared certain real property in Dover, Delaware. At the time of the spin-off, some of this real property was transferred to Gaming to ensure that the real property holdings of each company was aligned with its past uses and future business needs. During its harness racing season, Gaming has historically used the 5/8-mile harness racing track that is located on our property and is on the inside of our one-mile motorsports superspeedway. In order to continue this historic use, we granted a perpetual easement to the harness track to Gaming at the time of the spin-off. This perpetual easement allows Gaming to have exclusive use of the harness track during the period beginning November 1 of each year and ending April 30 of the following year, together with set up and tear down rights for the two weeks before and after such period. The easement requires that Gaming maintain the harness track but does not require the payment of any rent.

Various easements and agreements relative to access, utilities and parking have also been entered into between us and Gaming relative to our respective Dover, Delaware facilities. We pay rent to Gaming for the lease of our principal executive office space. Gaming also allows us to use its indoor grandstands in connection with our two annual motorsports weekends. This occasional grandstand use is not material to us and Gaming does not assess rent for it; Gaming may also discontinue our use at its discretion.

Nashville Superspeedway

Nashville Superspeedway is located on approximately 1,400 acres of land we own in Wilson County and Rutherford County, Tennessee. The facility is approximately 35 miles from downtown Nashville.

Intellectual Property

We have various registered and common law trademark rights, including, but not limited to, Dover, Dover Motorsports, Dover International Speedway, Nashville Speedway, Nashville Superspeedway, Monster Mile, Miles the Monster, Velocity, Monster Bridge, The Most Seat in Sports!, Concrete Monster, and Take a Kid to the Races. We also have limited rights to use the names and logos of NASCAR, various sponsors, drivers and other businesses in connection with promoting our events and certain merchandising programs. Due to the value of our intellectual property rights for promotional purposes, it is our intention to vigorously protect these rights, through litigation, if necessary.

Item 3. Legal Proceedings

We are a party to ordinary routine litigation incidental to our business. Management does not believe that the resolution of any of these matters is likely to have a material adverse effect on our results of operations, financial condition or cash flows.

Item 4. Mine Safety Disclosures

Not applicable.

Executive Officers Of The Registrant

See Part III, Item 10 of this Annual Report on Form 10-K for information about our executive officers.

Part II

Item 5. **Market For Registrant s Common Equity, Related Stockholder Matters And Issuer Purchases Of Equity Securities**

Our common stock is listed on the New York Stock Exchange (NYSE) under the ticker symbol DVD. Our Class A common stock is not publicly traded but is freely convertible on a one-for-one basis into common stock at any time at the option of the holder thereof. As of February 28, 2013, there were 18,481,848 shares of common stock and 18,510,975 shares of Class A common stock outstanding. There were 918 holders of record for common stock and 12 holders of record for Class A common stock.

The high and low sales prices for our common stock on the NYSE and the dividends declared per share for the years ended December 31, 2012 and 2011 are detailed in the following table:

Quarter Ended:	High	Low	Dividends Declared
December 31, 2012	$ 1.88	$ 1.35	$ 0.04
September 30, 2012	$ 1.55	$ 1.20	None
June 30, 2012	$ 1.58	$ 1.17	None
March 31, 2012	$ 1.62	$ 1.02	None

Quarter Ended:	High	Low	Dividends Declared
December 31, 2011	$ 1.65	$ 0.84	None
September 30, 2011	$ 1.97	$ 0.99	None
June 30, 2011	$ 2.15	$ 1.80	None
March 31, 2011	$ 2.25	$ 1.72	None

Dividends were prohibited by our credit facility. Effective October 2, 2012, we modified our debt agreement with our bank group to allow us to pay dividends and repurchase shares of our common stock, for an aggregate amount of not more than $2,500,000 in any fiscal year.

On July 28, 2004, our Board of Directors authorized the repurchase of up to 2,000,000 shares of our outstanding common stock. The purchases may be made in the open market or in privately negotiated transactions as conditions warrant. The repurchase authorization has no expiration date, does not obligate us to acquire any specific number of shares and may be suspended at any time. No purchases of our equity securities were made pursuant to this authorization during the fourth quarter of 2012 and we had remaining repurchase authority of 1,634,607 shares.

Item 6. **Selected Financial Data**

Not applicable.

Item 7. **Management s Discussion And Analysis Of Financial Condition And Results Of Operation**

The following discussion is based upon and should be read together with the consolidated financial statements and notes thereto included elsewhere in this document.

We classify our revenues as admissions, event-related, broadcasting and other. Admissions includes ticket sales for all of our events. Event-related revenue includes amounts received from sponsorship fees; luxury suite rentals; hospitality tent rentals and catering; concessions and souvenir sales and vendor commissions for the right to sell concessions and souvenirs at our facilities; sales of programs; track rentals and other event-related revenues. Broadcasting revenue includes rights fees obtained for television and radio broadcasts of events held at our speedway and any ancillary media rights fees.

Revenues pertaining to specific events are deferred until the event is held. Concession revenue from concession stand sales and sales of souvenirs are recorded at the time of sale. Revenues and related expenses from barter transactions in which we provide advertising or other goods or services in exchange for sponsorships of motorsports events are recorded at fair value. Barter transactions accounted for $424,000, $598,000 and $626,000 of total revenues for the years ended December 31, 2012, 2011 and 2010, respectively.

Expenses that are not directly related to a specific event are recorded as incurred. Expenses that specifically relate to an event are deferred until the event is held, at which time they are expensed. These expenses include prize and point fund monies and sanction fees paid to various sanctioning bodies, including NASCAR, marketing and other expenses associated with the promotion of our racing events.

Our operating results for the 2012 race season reflect decreases in admissions, event related revenue and broadcasting rights revenue due primarily to the fact that we no longer promote racing events at our Nashville facility. Additionally, management believes that our admissions and event related revenue categories continue to be negatively impacted by declines in consumer and corporate spending from the recession, high fuel, food and health-care costs, high unemployment, difficult housing and credit markets, low levels of consumer confidence, stock market volatility and other economic factors, adversely impacting recreational and entertainment spending. The strength and duration of recovery in the US economy currently remains uncertain. Higher fuel, food or health-care costs could significantly impact consumer spending and our future results. Changes in governmental taxing, regulatory, spending and other policy could significantly impact consumer spending, economic recovery and our future results. Government responses and actions may or may not successfully restore long-term stability to the credit and consumer markets and improve economic conditions. Record state and federal budgetary deficits could result in government responses such as higher consumer and corporate income or other tax rates. Governmental spending deficits could lead to higher interest rates and continued difficult borrowing conditions for consumers and corporate customers. Whether or when these severe conditions might further improve cannot be determined at this time. Each of these negative factors, and particularly when combined, have and may further adversely impact various industries of our present and potential consumer and corporate customers, resulting in continued or further spending declines that could adversely impact our revenues and profitability.

For our 2012 events, management reduced ticket prices for early ticket buyers to help foster fan support and mitigate any near-term demand weakness. Much of our total revenues are generated under long-term contracts, and much of our future revenues are already contracted under television broadcasting rights contracts. For example, the term of the existing eight-year NASCAR television broadcast agreement is through 2014, and as discussed further below in Liquidity and Capital Resources, NASCAR recently announced a new expanded multi-year, multi-platform broadcasting rights agreement for a portion of the yearly racing season beginning in 2015 through 2022. Management believes the attractive demographics surrounding motorsports continue to provide substantial opportunities for increasing our number of longer-term sponsorship partners.

Results of Operations

Year Ended December 31, 2012 vs. Year Ended December 31, 2011

We promoted six racing events during 2012 compared to ten racing events during 2011. We promoted two NASCAR Nationwide Series events and two NASCAR Camping World Truck Series events at our Nashville facility in 2011. These events did not occur in 2012 since we no longer promote NASCAR events at that facility. The majority of our revenues are derived from our two NASCAR Sprint Cup Series events.

Admissions revenue was $10,428,000 in 2012 as compared to $13,633,000 in 2011. The $3,205,000 decrease was related to the aforementioned changes in our major motorsports event schedule and by lower admissions revenue at our NASCAR event weekends at Dover International Speedway primarily from lower average ticket prices pursuant to a new ticket pricing plan employed in 2012.

Event-related revenue was $9,889,000 in 2012 as compared to $10,309,000 in 2011. The $420,000 decrease was primarily related to the aforementioned changes in our major motorsports event schedule. Partially offsetting the decrease were revenues from the inaugural three day Firefly Music Festival which was held on our property in July 2012. We received a fee for the use of our property and a portion of the concession sales for this event.

Broadcasting revenue decreased to $26,404,000 in 2012 from $27,778,000 in 2011. The decrease was related to the aforementioned changes in our major motorsports event schedule partially offset by an increase in broadcasting revenue at our Dover facility.

Operating and marketing expenses were $26,688,000 in 2012 as compared to $31,926,000 in 2011. The decrease was primarily related to the aforementioned changes in our major motorsports event schedule. Partially offsetting the decrease were expenses related to the inaugural three day Firefly Music Festival which was held on our property in July 2012.

General and administrative expenses were $7,560,000 in 2012 as compared to $8,329,000 in 2011. The decrease was primarily related to the fact that we promoted no events in Nashville in 2012 and from lower employee related expenses at our Dover facility.

Depreciation expense decreased to $3,314,000 in 2012 as compared to $4,588,000 in 2011. The decrease was primarily related to cessation of depreciation after the impairment of all depreciable assets of our Nashville facility during the third quarter of 2011.

Net interest expense was $1,396,000 in 2012 as compared to $2,245,000 in 2011. The decrease was due primarily to lower average borrowings as well as a lower average interest rate pursuant to our new credit facility entered into on April 12, 2011. Additionally, the 2011 interest expense reflects the reversal of $122,000 of previously recorded interest expense on uncertain income tax positions which were no longer subject to examination.

Our effective income tax rates for 2012 and 2011 were 43.3% and 31.0%, respectively. The lower effective income tax rate in the prior year was primarily due to the state tax losses at our Midwest facilities which have no state income tax benefits as a result of recording valuation allowances on the state net operating loss carry-forwards.

Earnings (loss) from continuing operations before income taxes was $8,062,000 in 2012 as compared to ($13,207,000) in 2011. Excluding the non-cash impairment charges and provision for contingent obligation, our adjusted earnings from continuing operations before income taxes was $7,741,000 in 2012 as compared to $4,730,000 in 2011.

		2012		2011
Earnings (loss) from continuing operations before income taxes	$	8,062,000	$	(13,207,000)
Non-cash impairment charges				15,687,000
Provision for contingent obligation		(321,000)		2,250,000
Adjusted earnings from continuing operations before income taxes	$	7,741,000	$	4,730,000

Earnings (loss) from continuing operations was $4,571,000 in 2012 as compared to ($9,114,000) in 2011. Excluding the non-cash impairment charges, net of income taxes and provision for contingent obligation, net of income taxes, our adjusted earnings from continuing operations was $4,381,000 in 2012 as compared to $2,419,000 in 2011.

		2012		2011
Earnings (loss) from continuing operations	$	4,571,000	$	(9,114,000)

Non-cash impairment charges, net of income taxes				10,197,000
Provision for contingent obligation, net of income taxes		(190,000)		1,336,000
Adjusted earnings from continuing operations	$	4,381,000	$	2,419,000

The above financial information is presented using other than generally accepted accounting principles (non-GAAP) and is reconciled to comparable information presented using GAAP. Non-GAAP adjusted earnings from continuing operations before income taxes and non-GAAP adjusted earnings from continuing operations is derived by adjusting amounts determined in accordance with GAAP for the non-cash impairment charges and provision for contingent obligation. We believe such non-GAAP information is useful and meaningful to investors, and is used by investors and us to assess core operations. This non-GAAP financial information may not be comparable to similarly titled measures used by other entities and should not be considered as an alternative to earnings (loss) from continuing operations before income taxes and earnings (loss) from continuing operations which is determined in accordance with GAAP.

Year Ended December 31, 2011 vs. Year Ended December 31, 2010

Admissions revenue was $13,633,000 in 2011 as compared to $16,363,000 in 2010. We promoted ten events during 2011 and 2010. The $2,730,000 decrease was primarily related to lower admissions revenue at our NASCAR event weekends at Dover International Speedway. We believe the decrease in attendance at our Dover weekends was attributable primarily to the general downturn in economic conditions, including those affecting disposable consumer income and corporate budgets such as employment and business conditions. We believe that adverse economic trends, particularly credit availability, the decline in consumer confidence, continued high unemployment and high gas prices have contributed to the decrease in attendance.

Event-related revenue was $10,309,000 in 2011 as compared to $11,594,000 in 2010. The $1,285,000 decrease was primarily related to lower luxury suite rentals, hospitality tent rentals, catering revenues, expo space revenues and concessions and souvenir sales at our NASCAR event weekends at Dover International Speedway as a result of the lower attendance and the aforementioned economic conditions.

Broadcasting revenue increased to $27,778,000 in 2011 from $26,872,000 in 2010 due to a contracted increase for the individual major motorsports events we promoted during 2011.

Operating and marketing expenses were $31,926,000 in 2011 as compared to $34,286,000 in 2010. The decrease was primarily due to cost cutting measures and reduced operating expenses resulting from the lower attendance at our NASCAR event weekends at Dover International Speedway.

We concluded in the third quarter of 2011 that it was necessary for us to review the carrying value of the long-lived assets of our Nashville facility for impairment. Based on the results of this analysis, we recorded a $15,687,000 non-cash impairment charge in the third quarter of 2011 to write-down the carrying value of long-lived assets at our Nashville facility to fair value.

General and administrative expenses were $8,329,000 in 2011 and $9,786,000 in 2010. The decrease was primarily related to lower wages and benefit costs at our Dover facility, lower expenses at our Nashville facility and from the sale of our Memphis facility which was completed in January 2011.

Depreciation and amortization expense decreased to $4,588,000 in 2011 as compared to $5,825,000 in 2010. The decrease was primarily related to cessation of depreciation after the impairment of all depreciable assets of our Nashville facility in the third quarter of 2011.

Net interest expense was $2,245,000 in 2011 as compared to $2,360,000 in 2010. We reversed $122,000 and $878,000 in 2011 and 2010, respectively, of previously recorded interest expense on uncertain income tax positions which are no longer subject to examination. Excluding the interest expense and reversals we recorded related to uncertain income tax positions, our net interest expense was $2,367,000 in 2011 as compared to $3,113,000 in 2010. The decrease was due primarily to lower average borrowings as well as a lower average interest rate on our new credit facility entered into on April 12, 2011.

On August 3, 2011, we announced that Nashville Superspeedway notified NASCAR that it will not seek 2012 sanction agreements for its two Nationwide Series and two Camping World Truck Series events. We continue to use the track for NASCAR team testing and are currently evaluating all of our options for the facility. As a result, we recorded a $2,250,000 provision for contingent obligation reflecting the present value of the estimated portion of the Wilson County bonds debt service that may not be covered by the projected sales and incremental property taxes from the facility.

(Loss) earnings from continuing operations before income taxes was ($13,207,000) in 2011 as compared to $2,182,000 in 2010. Excluding the non-cash impairment charges and provision for contingent obligation, our adjusted earnings from continuing operations before income taxes was $4,730,000 in 2011 as compared to $2,991,000 in 2010.

		2011		2010
(Loss) earnings from continuing operations before income taxes	$	(13,207,000)	$	2,182,000
Non-cash impairment charges		15,687,000		809,000
Provision for contingent obligation		2,250,000		
Adjusted earnings from continuing operations before income taxes	$	4,730,000	$	2,991,000

The above financial information is presented using other than generally accepted accounting principles (non-GAAP) and is reconciled to comparable information presented using GAAP. Non-GAAP adjusted earnings from continuing operations before income taxes is derived by adjusting amounts determined in accordance with GAAP for the non-cash impairment charges and provision for contingent obligation. We believe such non-GAAP information is useful and meaningful to investors, and is used by investors and us to assess core operations. This non-GAAP financial information may not be comparable to similarly titled measures used by other entities and should not be considered as an alternative to earnings (loss) from continuing operations before income taxes which is determined in accordance with GAAP.

Our effective income tax rates for 2011 and 2010 were 31.0% and 67.4%, respectively. The change in our effective income tax rate from the prior year rate was primarily due to the changes in the mix of taxable income and losses within our subsidiaries. One subsidiary had state taxable income which resulted in state income tax expense; however, other subsidiaries with state tax losses have no state income tax benefits based upon the valuation allowances that we have recorded in connection with state net operating loss carryforwards.

Liquidity and Capital Resources

Our operations and cash flows from operating activities are seasonal in nature with a majority of our motorsports events occurring during the second and third quarters this year.

Net cash provided by operating activities was $10,945,000 in 2012 as compared to $7,858,000 in 2011. The increase was primarily due to the increase in earnings before income taxes as a result of reduced operating losses from our remaining and former Midwest facilities and lower costs at our Dover facility and the lower cash paid for interest. Additionally, as a result of closing our Gateway facility in the fourth quarter of 2010 all liabilities of the facility outstanding at December 31, 2010 were paid in 2011 which resulted in the lower net cash provided by operating activities in 2011.

Net cash provided by investing activities was $17,000 in 2012 as compared to $1,611,000 in 2011. Capital expenditures were $468,000 in 2012 compared with $258,000 in 2011. The 2012 additions related primarily to capital improvements at our Dover facility. The 2011 additions related primarily to replacement of SAFER barriers at our Nashville facility and improvements to our luxury skybox suites at our Dover facility. We completed the sale of several parcels of land at our Gateway facility in September 2012 which resulted in net proceeds of $585,000. We completed the sale of our Memphis facility in January 2011 which resulted in additional net proceeds of $1,875,000.

Net cash used in financing activities was $10,962,000 in 2012 as compared to $9,523,000 in 2011. We had net repayments on our outstanding line of credit of $9,460,000 in 2012 as compared to $9,040,000 in 2011. We paid $1,475,000 in cash dividends during 2012. No dividends were paid in 2011.

At December 31, 2012, Dover Motorsports, Inc. and its wholly owned subsidiaries Dover International Speedway, Inc. and Nashville Speedway, USA, Inc., as co-borrowers, had a $60,000,000 secured credit agreement with a bank group. There was $19,700,000 outstanding under the credit facility at December 31, 2012, at an interest rate of 2.21%. The maximum borrowing limit under the facility reduces to $55,000,000 as of March 31, 2013 and the facility expires April 12, 2014. The credit facility provides for seasonal funding needs, capital improvements, letter of credit requirements and other general corporate purposes. Interest is based upon LIBOR plus a margin that varies between 200 and 325 basis points depending on the leverage ratio (200 basis points at December 31, 2012). The terms of the credit facility contain certain covenants including minimum interest coverage and maximum funded debt to earnings before interest, taxes, depreciation and amortization. Material adverse changes in our results of operations could impact our ability to maintain financial ratios necessary to satisfy these requirements. We expect to be in compliance with the financial covenants, and all other covenants, for all measurement periods during the next twelve months. In addition, the credit agreement includes a material adverse change clause and provides the lenders with a first lien on all of our assets. On October 2, 2012, the credit agreement was modified to allow us to repurchase shares of our common stock in the open market and/or pay dividends with respect to our common stock for an aggregate amount of not more than $2,500,000 in any fiscal year. The credit facility also provides that if we default under any other loan agreement, that would be a default under this facility. At December 31, 2012, we were in compliance with the terms of the credit facility. After consideration of stand-by letters of credit outstanding, the remaining maximum borrowings available pursuant to the credit facility were $20,371,000 at December 31, 2012; however, in order to maintain compliance with the required quarterly debt covenant calculations as of December 31, 2012 $18,691,000 could have been borrowed as of that date.

On August 3, 2011, we announced that our wholly-owned subsidiary Nashville Superspeedway notified NASCAR that it would not seek 2012 sanction agreements and therefore we no longer promote NASCAR events at this facility. We continue to use the track for motorsports race team testing and are currently evaluating all of our options for the facility. We recorded a $2,250,000 provision for contingent obligation in 2011 reflecting the present value of the estimated portion of the Wilson County bonds debt service that may not be covered by the projected sales and incremental property taxes (applicable taxes) from the facility (see NOTE 13 Commitments and Contingencies of the consolidated financial statements included elsewhere in this document for further discussion). Due to changing interest rates, the provision for contingent obligation decreased by $316,000, net, in 2012. The provision for contingent obligation is $1,934,000 at December 31, 2012. An increase in interest rates would result in an increase in the portion of debt service not covered by applicable taxes and therefore an increase in our liability.

We promoted six racing events in 2012 and are scheduled to promote six events in 2013, all of which will be sanctioned by NASCAR and held at our Dover International Speedway facility.

Broadcasting revenues continue to be a significant long-term revenue source for our business. Management believes this long-term contracted revenue helps stabilize our financial strength, earnings and cash flows. Also, NASCAR ratings can impact attendance at our events and sponsorship opportunities. A substantial portion of our profits in recent years has resulted from television revenues received from NASCAR contracts with various television networks, which is expected to continue for the foreseeable future. The current eight-year television broadcasting agreement with various television networks was negotiated and contracted by NASCAR (as will new contracts). Our share of these television broadcast revenues are contracted, and purse and sanction fees are negotiated, with NASCAR on an annual basis for each NASCAR-sanctioned racing event scheduled to be held by us in the upcoming year. Under these annual agreements, we are obligated to conduct events in the manner stipulated under the terms and conditions of the respective sanctioning agreements.

NASCAR recently announced it has reached an eight-year, multi-platform agreement with FOX Sports Media Group (FOX) for the broadcasting and digital rights to 13 NASCAR Sprint Cup Series races and the entire Camping World Truck Series (along with practice and qualifying) beginning in 2015 through 2022. For the first time ever beginning in 2013, the new agreement includes TV Everywhere rights that allow live-streaming of all FOX races, before and after race coverage, in-progress and finished race highlights, and replays of FOX-televised races to a Fox Sports-affiliated website. The new agreement also allows re-telecast of races on a FOX network and via video-on-demand for 24 hours, and other ancillary programming including a nightly NASCAR news and information show, and weekend at-track shows.

We expect that our net cash flows from operating activities and funds available from our credit facility will be sufficient to provide for our working capital needs, capital spending requirements, as well as any cash dividends our Board of Directors may declare at least through the next twelve months and also provide for our long-term liquidity. Based on current business conditions, we expect to spend approximately $250,000 on capital expenditures during 2013.

Contractual Obligations

At December 31, 2012, we had the following contractual obligations and other commercial commitments:

		Payments Due by Period			
	Total	2013	2014 2015	2016 2017	Thereafter
Revolving line of credit (a)	$ 19,700,000	$	$ 19,700,000	$	$
Estimated interest payments on revolving line of credit(b)	558,000	436,000	122,000		
Contingent obligation(c)	1,934,000				1,934,000
Operating leases	48,000	21,000	26,000	1,000	
Total contractual cash obligations	$ 22,240,000	$ 457,000	$ 19,848,000	$ 1,000	$ 1,934,000

(a) Our current credit facility expires on April 12, 2014.

(b) The future interest payments on our revolving credit agreement were estimated using the current outstanding principal as of December 31, 2012 and current interest rates.

(c) In September 1999, the Sports Authority of the County of Wilson (Tennessee) issued $25,900,000 in Variable Rate Tax Exempt Infrastructure Revenue Bonds, Series 1999, to acquire, construct and develop certain public infrastructure improvements which benefit the operation of Nashville Superspeedway, of which $19,600,000 was outstanding at December 31, 2012. Annual principal payments range from $800,000 in September 2013 to $1,600,000 in 2029 and are payable solely from sales taxes and incremental property taxes generated from the facility. These bonds are direct obligations of the Sports Authority and therefore have historically not been required to be recorded on our consolidated balance sheet. If the applicable taxes are insufficient for the payment of principal and interest on the bonds, we would become responsible for the difference. We are exposed to fluctuations in interest rates for these bonds. In the event we were unable to make the payments, they would be made pursuant to a $19,929,000 irrevocable direct-pay letter of credit issued by our bank group.

As of December 31, 2012 and 2011, $1,758,000 and $1,534,000, respectively, was available in the sales and incremental property tax fund maintained by the Sports Authority to pay the remaining principal and interest due under the bonds. During 2012, we paid $957,000 into the sales and incremental property tax fund and $733,000 was deducted from the fund for principal and interest payments. If we fail to maintain the letter of credit that secures the bonds or we allow an uncured event of default to exist under our reimbursement agreement relative to the letter of credit, the bonds would be immediately redeemable.

On August 3, 2011, we announced that our wholly-owned subsidiary Nashville Superspeedway notified NASCAR that it would not seek 2012 sanction agreements and therefore we no longer promote NACAR events at this facility. We continue to use the track for motorsports race team testing and are currently evaluating all of our options for the facility. We incurred a non-cash impairment charge of $15,687,000 and severance costs of approximately $150,000 in the third quarter of 2011 as a result of our decision to no longer promote NASCAR events at this facility (see NOTE 3 Impairment Charges of the consolidated financial statements included elsewhere in this document for further discussion). Additionally, we recorded a $2,250,000 provision for contingent obligation reflecting the present value of the estimated portion of the Wilson County bonds debt service that may not be covered by the projected sales and incremental property taxes from the facility (see NOTE 13 Commitments and Contingencies of the consolidated financial statements included elsewhere in this document for further discussion). Due to changing interest rates, the provision for contingent obligation decreased by $316,000, net, in 2012. The provision for contingent obligation is $1,934,000 at December 31, 2012.

Related Party Transactions

See NOTE 12 Related Party Transactions of the consolidated financial statements included elsewhere in this document.

Critical Accounting Policies

The accounting policies described below are those we consider critical in preparing our consolidated financial statements. These policies include significant estimates made by management using information available at the time the estimates are made. As described below, these estimates could change materially if different information or assumptions were used.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating losses. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. We record a valuation allowance to reduce our deferred tax assets to the amount that is more likely than not to be realized. As of December 31, 2012, our valuation allowance on state net operating loss carry-forwards net of federal income taxes was $12,165,000, which decreased by $24,000 in 2012. These state net operating losses are related to our Midwest facilities that have not produced taxable income. Valuation allowances fully reserve the state net operating loss carryforwards, net of federal tax benefit. We have considered ongoing prudent and feasible tax planning strategies in assessing the need for a valuation allowance. In the event we were to determine that we would be able to realize all or a portion of these deferred tax assets, an adjustment to the valuation allowance would increase earnings in the period such determination was made. Likewise, should we determine that we would not be able to realize all or a portion of our remaining deferred tax assets in the future, an adjustment to the valuation allowance would be charged to earnings in the period such determination was made.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided for financial reporting purposes using the straight-line method over estimated useful lives ranging from 3 to 10 years for furniture, fixtures and equipment and up to 40 years for facilities. These estimates require assumptions that are believed to be reasonable. We perform reviews for impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value.

Over the past six years, we recorded several impairment charges relating to our Midwest tracks to reduce the carrying value of the tracks to their then estimated fair value. Fair value was based on either independent third party appraisals or pending/completed sales transactions.

Determining fair value involves the use of estimates and assumptions. We employ estimates and assumptions that we believe to be reasonable but that are inherently uncertain and subject to change. In certain cases, industry events beyond our control have to be factored into our fair value analysis. Our initial impairment charge in 2006 was to all three Midwest tracks and resulted from a reduction in projected future cash flows based on new broadcast agreements with NASCAR. An additional impairment charge in 2008 resulted from (i) the decline in economic conditions and its impact on our projected operations, (ii) a lower than anticipated allocation of contractual revenue from NASCAR, and (iii) an agreement of sale for one of our Midwest tracks at a selling price lower than its carrying value. Additional impairment charges were taken in 2009, 2010 and 2011 and were primarily the result of the expiration in 2009 of an agreement of sale for one track that had previously formed the basis for the track s carrying value, the cessation of operations at another track announced in 2010 and the cessation of operations at the third track announced in 2011. Following these charges, the carrying value of the remaining assets has been reduced primarily to land value.

We no longer conduct motorsports events at either of the remaining properties of our former Midwest tracks. We continue to own land with an appraised fair value of approximately $630,000 near one of our former facilities and have exited from the various property leases under which we previously operated. The appraised fair value of the remaining facility primarily consists of its land value of approximately $30,300,000 for approximately 1,400 acres.

Fair value for land is determined using valuation techniques such as the comparable sales approach. The primary economic assumptions used in the valuation techniques include: (i) land value which is estimated by comparable transactions; and (ii) that the highest and best use for the land is potential real estate development such as industrial warehouse or light manufacturing development. We review the fair value of the land on a regular basis and it is possible that the assumptions used to value the land can change in the future and this could have a significant effect on the outcome of future valuations.

Accrued Pension Cost

On June 15, 2011, we decided to freeze participation and benefit accruals under our pension plans. The freeze was effective July 31, 2011. The benefits provided by our defined-benefit pension plans are based on years of service and employee s remuneration through July 31, 2011. Accrued pension costs are developed using actuarial principles and assumptions which consider a number of factors, including estimates for the discount rate and expected long-term rate of return on assets. Changes in these estimates would impact the amounts that we record in our consolidated financial statements.

Recent Accounting Pronouncements

There have been no new accounting pronouncements made effective during the year ended December 31, 2012, or that are not yet effective, that have significance, or potential significance, to our consolidated financial statements.

Factors That May Affect Operating Results; Forward-Looking Statements

This report and the documents incorporated by reference may contain forward-looking statements. In Item 1A of this report, we disclose the important factors that could cause our actual results to differ from our expectations.

Item 7A. Quantitative And Qualitative Disclosures About Market Risk

Not applicable.

Item 8. Financial Statements And Supplementary Data

Our consolidated financial statements and the Report of Independent Registered Public Accounting Firm included in this report are shown on the Index to Consolidated Financial Statements on page 30.

Item 9. Changes In And Disagreements With Accountants On Accounting And Financial Disclosure

None.

Item 9A. Controls and Procedures

Our management is responsible for the preparation, integrity and objectivity of the consolidated financial statements and other financial information included in this Form 10-K. The consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles and reflect the effects of certain estimates and judgments made by management.

Our management also is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded and transactions are properly recorded and executed in accordance with management s authorization. The system is regularly monitored by direct management review and by internal auditors who conduct an extensive program of audits throughout our organization. The Director of

Internal Audit reports directly to the Audit Committee of our Board of Directors. We have confidence in our financial reporting, the underlying system of internal controls, and our people, who are objective in their responsibilities and operate under our Code of Business Conduct and with the highest level of ethical standards. These standards are a key element of our control system.

The Audit Committee of our Board of Directors, which is comprised entirely of independent directors, has direct and private access to and meets regularly with management, our internal auditors and our independent registered public accounting firm to review accounting, reporting, auditing and internal control matters.

Management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our internal controls will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of internal controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Also, any evaluation of the effectiveness of controls in future periods are subject to the risk that those internal controls may become inadequate because of changes in business conditions, or that the degree of compliance with the policies or procedure may deteriorate.

(a) Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures to ensure that relevant, material information is made known to the officers who certify our financial reports and to other members of senior management and the Board of Directors.

Based on their evaluation as of December 31, 2012, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective to ensure that the information we are required to disclose in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

(b) Management s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. We conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2012. KPMG LLP independently assessed the effectiveness of our internal control over financial reporting as of December 31, 2012. KPMG LLP has issued their report which is included herein.

(c) Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the fiscal quarter ended December 31, 2012 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

(d) *Report of Independent Registered Public Accounting Firm*

The Board of Directors and Stockholders

Dover Motorsports, Inc.:

We have audited Dover Motorsports, Inc. and subsidiaries (the Company s) internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management s Report on Internal Control Over Financial Reporting (Item 9A(b))*. Our responsibility is to express an opinion on the Company s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Dover Motorsports, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Dover Motorsports, Inc. and subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of earnings (loss) and comprehensive earnings (loss) and cash flows for each of the years in the three-year period ended December 31, 2012, and our report dated March 8, 2013 expressed an unqualified opinion on those consolidated financial statements.

KPMG LLP

Philadelphia, Pennsylvania

March 8, 2013

Item 9B. **Other Information**

None.

Part III

Item 10. **Directors, Executive Officers And Corporate Governance**

Except as presented below, biographical information relating to our directors and executive officers, information regarding our audit committee financial experts and information on Section 16(a) Beneficial Ownership Reporting Compliance called for by this Item 10 are incorporated by reference to our Proxy Statement to be filed pursuant to Regulation 14A for the Annual Meeting of Stockholders to be held on April 24, 2013.

We have a Code of Business Conduct applicable to all of our employees, including our Chief Executive Officer and Chief Financial Officer. We also have a Code of Business Conduct and Ethics for Directors and Executive Officers and Related Party Transactions Policy applicable to all directors and executive officers. Copies of these Codes and other corporate governance documents are available on our website at http://www.dovermotorsports.com under the heading, Investor Relations. We will post on our website any amendments to, or waivers from, these Codes as required by law.

Executive Officers of the Registrant. As of December 31, 2012, our executive officers were:

Name	Position	Age	Term of Office
Denis McGlynn	President and Chief Executive Officer	66	11/79 to date
Michael A. Tatoian	Executive Vice President	52	01/07 to date
Timothy R. Horne	Sr. Vice President-Finance and Chief Financial Officer	46	4/08 to date
Klaus M. Belohoubek	Sr. Vice President-General Counsel and Secretary	53	7/99 to date
Thomas Wintermantel	Treasurer and Assistant Secretary	54	7/02 to date

Our Chairman of the Board, Henry B. Tippie, is a non-employee director and, therefore, not an executive officer. Mr. Tippie has served as Chairman of the Board for 13 years and prior to that served as Vice Chairman of the Board. Mr. Tippie also serves as Chairman of the Board to Gaming as a non-employee director.

Denis McGlynn has served as our President and Chief Executive Officer for 33 years. Mr. McGlynn also serves as President and Chief Executive Officer to Gaming.

Michael A. Tatoian joined us as Executive Vice President in January 2007. Mr. Tatoian has more than 24 years experience in professional sports ownership, management and operations. He served as Chief Executive Officer and Managing Partner of Victory Sports Group, LLC, where he oversaw the development and management of professional sports organizations, including minor league baseball, minor league hockey and a NASCAR Nationwide Series team. Mr. Tatoian also served as Chief Operating Officer of United Sports Ventures, Inc., an umbrella sports company that owned and operated eight minor league teams.

Timothy R. Horne has been Sr. Vice President-Finance and Chief Financial Officer since April 2008. Mr. Horne was the Chief Financial Officer of Dover Motorsports, Inc. from 1996 until its 2002 spin-off of Gaming. He has served as Sr. Vice President-Finance, Treasurer and Chief Financial Officer of Gaming since 2002, but has been actively involved in the financial departments of both companies.

Klaus M. Belohoubek has been Sr. Vice President-General Counsel and Secretary since 1999 and has provided us legal representation in various capacities since 1990. Mr. Belohoubek also serves as Sr. Vice President-General Counsel and Secretary of Gaming.

Thomas Wintermantel has been Treasurer and Assistant Secretary since July 2002. Previously, Mr. Wintermantel was the Financial Vice President and Treasurer of John W. Rollins & Associates, Financial Vice President of Rollins Jamaica, Ltd. and President and Director of the John W. Rollins Foundation.

Item 11. Executive Compensation

The information called for by this Item 11 is incorporated by reference to our Proxy Statement to be filed pursuant to Regulation 14A for the Annual Meeting of Stockholders to be held on April 24, 2013.

Item 12. Security Ownership Of Certain Beneficial Owners And Management And Related Stockholder Matters

The information called for by this Item 12 is incorporated by reference to our Proxy Statement to be filed pursuant to Regulation 14A for the Annual Meeting of Stockholders to be held on April 24, 2013.

Equity Compensation Plan Information

We have a 2004 stock incentive plan (the 2004 Plan) which provides for the grant of up to 1,500,000 shares of common stock to our officers and key employees through stock options and/or awards valued in whole or in part by reference to our common stock, such as restricted stock awards. Refer to NOTE 10 Stockholders Equity in the notes to the consolidated financial statements included elsewhere in this document for further discussion.

Securities authorized for issuance under equity compensation plans at December 31, 2012 are as follows:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders		$	500,824
Equity compensation plans not approved by security holders			
Total		$	500,824

Item 13. Certain Relationships And Related Transactions, And Director Independence

The information called for by this Item 13 is incorporated by reference to our Proxy Statement to be filed pursuant to Regulation 14A for the Annual Meeting of Stockholders to be held on April 24, 2013.

Item 14. Principal Accounting Fees And Services

The information called for by this Item 14 is incorporated by reference to our Proxy Statement to be filed pursuant to Regulation 14A for the Annual Meeting of Stockholders to be held on April 24, 2013.

Part IV

Item 15. Exhibits, Financial Statement Schedules

(a)(1) Financial Statements See accompanying Index to Consolidated Financial Statements on page 30.

(2) Financial Statement Schedules None.

(3) Exhibits:

2.1 Share Exchange Agreement and Plan of Reorganization dated June 14, 1996 between Dover Motorsports, Inc. (formerly known as Dover Downs Entertainment, Inc.), Dover Downs, Inc., Dover Downs International Speedway, Inc. and the shareholders of Dover Downs, Inc. (incorporated herein by reference to Exhibit 2.1 to the Registration Statement, Number 333-8147, on Form S-1 dated July 15, 1996, which was declared effective on October 3, 1996).

2.2 Agreement and Plan of Merger, dated as of March 26, 1998, by and among Dover Motorsports, Inc. (formerly known as Dover Downs Entertainment, Inc.), FOG Acquisition Corp., and Grand Prix Association of Long Beach (incorporated herein by reference to Exhibit 2.1 to the Registration Statement, Number 333-53077, on Form S-4 dated May 19, 1998).

2.3 Amended and Restated Agreement Regarding Distribution and Plan of Reorganization, dated as of February 15, 2002, by and between Dover Motorsports, Inc. (formerly known as Dover Downs Entertainment, Inc.) and Dover Downs Gaming & Entertainment, Inc. (incorporated herein by reference to Exhibit 2.1 to the Registration Statement of Dover Downs Gaming & Entertainment, Inc., Number 1-16791, on Form 10 dated February 26, 2002, which was declared effective on March 7, 2002).

3.1 Restated Certificate of Incorporation of Dover Motorsports, Inc. (formerly known as Dover Downs Entertainment, Inc.), dated March 10, 2000 (incorporated herein by reference to Exhibit 3.1 to the Form 10-Q dated April 28, 2000).

3.2 Amended and Restated By-laws of Dover Motorsports, Inc. dated April 1, 2002 (incorporated herein by reference to Exhibit 3.1 to the Form 10-Q dated May 10, 2002).

4.1 Rights Agreement, dated as of June 14, 2006 between Dover Motorsports, Inc. and Mellon Investor Services, LLC (incorporated herein by reference to Exhibit 4.1 to the Registrant s Registration Statement on Form 8-A dated June 14, 2006).

10.1 Credit Agreement between Dover Motorsports, Inc., Dover International Speedway, Inc. and Nashville Speedway, USA, Inc. and RBS Citizens, N.A., as agent, dated as of April 12, 2011 (incorporated herein by reference to Exhibit 10.1 to the Form 8-K dated April 12, 2011).

10.2 Employee Benefits Agreement, dated as of January 15, 2002, by and between Dover Motorsports, Inc. (formerly known as Dover Downs Entertainment, Inc.) and Dover Downs Gaming & Entertainment, Inc. (incorporated herein by reference to Exhibit 10.2 to the Registration Statement of Dover Downs Gaming & Entertainment, Inc., Number 1-16791, on Form 10 dated January 16, 2002, which was declared effective on March 7, 2002).

10.3 Transition Support Services Agreement, dated as of January 15, 2002, by and between Dover Motorsports, Inc. (formerly known as Dover Downs Entertainment, Inc.) and Dover Downs Gaming & Entertainment, Inc. (incorporated herein by reference to Exhibit 10.3 to the Registration Statement of Dover Downs Gaming & Entertainment, Inc., Number 1-16791, on Form 10 dated January 16, 2002, which was declared effective on March 7, 2002).

10.4 Tax Sharing Agreement, dated as of January 15, 2002, by and between Dover Motorsports, Inc. (formerly known as Dover Downs Entertainment, Inc.) and Dover Downs Gaming & Entertainment, Inc. (incorporated herein by reference to Exhibit 10.4 to the Registration Statement of Dover Downs Gaming & Entertainment, Inc., Number 1-16791, on Form 10 dated January 16, 2002, which was declared effective on March 7, 2002).

10.5 Real Property Agreement, dated as of January 15, 2002, by and between Dover Motorsports, Inc. (formerly known as Dover Downs Entertainment, Inc.) and Dover Downs Gaming & Entertainment, Inc. (incorporated herein by reference to Exhibit 10.5 to the Registration Statement of Dover Downs Gaming & Entertainment, Inc., Number 1-16791, on Form 10 dated January 16, 2002, which was declared effective on March 7, 2002).

10.6 Sanction Agreement between Dover International Speedway, Inc. and National Association for Stock Car Auto Racing for June 2013 Sprint Cup Series event (incorporated herein by reference to Exhibit 10.1 to the Form 8-K dated January 14, 2013).

10.7 Sanction Agreement between Dover International Speedway, Inc. and National Association for Stock Car Auto Racing for September 2013 Sprint Cup Series event (incorporated herein by reference to Exhibit 10.2 to the Form 8-K datedJanuary 14, 2013).

10.8 Amended and Restated Employment and Non-Compete Agreement between Dover Motorsports, Inc. and Denis McGlynn dated February 13, 2006 (incorporated herein by reference to Exhibit 10.1 to the Form 8-K dated February 17, 2006).

10.9 Amended and Restated Employment and Non-Compete Agreement between Dover Motorsports, Inc. and Michael A. Tatoian dated July 26, 2007 (incorporated herein by reference to Exhibit 10.1 to the Form 8-K dated July 26, 2007).

10.10 Amended and Restated Employment and Non-Compete Agreement between Dover Motorsports, Inc. and Klaus M. Belohoubek dated February 13, 2006 (incorporated herein by reference to Exhibit 10.4 to the Form 8-K dated February 17, 2006).

10.11 Amended and Restated Employment and Non-Compete Agreement between Dover Motorsports, Inc. and Thomas G. Wintermantel dated February 13, 2006 (incorporated herein by reference to Exhibit 10.5 to the Form 8-K dated February 17, 2006).

10.12 Amended and Restated Employment and Non-Compete Agreement between Dover Motorsports, Inc. and Timothy R. Horne dated January 3, 2008 (incorporated herein by reference to Exhibit 10.1 to the Form 8-K dated January 4, 2008).

10.13 Non-Compete Agreement between Dover Motorsports, Inc. and Henry B. Tippie dated June 16, 2004 (incorporated herein by reference to Exhibit 10.6 to the Form 10-Q dated August 6, 2004).

10.14 Amendment to certain agreements between Dover Motorsports, Inc. and selected executives and directors (incorporated herein by reference to Exhibit 10.1 to the Form 10-Q dated November 5, 2008).

10.15 Amendment to certain agreements between Dover Motorsports, Inc. and certain executives dated June 15, 2011 (incorporated herein by reference to Exhibit 2.1 to the Form 8-K dated June 15, 2011).

10.16 Dover Motorsports, Inc. 2004 Stock Incentive Plan (incorporated herein by reference to Exhibit A to our Proxy Statement filed on March 29, 2004).

10.17 Form of Restricted Stock Grant Agreement Used with Dover Motorsports, Inc. 2004 Stock Incentive Plan (incorporated herein by reference to Exhibit 10.2 to the Form 10-Q dated November 3, 2004).

10.18 Stock Purchase Agreement dated January 28, 2009 between Midwest Racing, Inc. and Gulf Coast Entertainment, L.L.C. (incorporated herein by reference to Exhibit 10.1 to the Form 8-K dated January 30, 2009).

10.19 Description of Annual Salary and Certain Discretionary Incentives to Executive Officers (incorporated herein by reference to Item 1.01 to the Form 8-K dated December 7, 2012).

10.20 Modification Letter to Credit Agreement between Dover Motorsports, Inc., Dover International Speedway, Inc. and Nashville Speedway, USA, Inc. and RBS Citizens, N.A., as agent, dated as of October 2, 2012 (incorporated herein by reference to Exhibit 10.1 to the Form 8-K dated October 2, 2012).

10.21 Dover Motorsports, Inc. Supplemental Executive Retirement Savings Plan Dated November 9, 2012 (incorporated herein by reference to Exhibit 10.1 to the Form 10-Q dated November 9, 2012).

21.1 Subsidiaries

24.1 Powers of Attorney for Directors

31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a)

31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a)

32.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Sec. 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Sec. 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

99.1 Audit Committee Charter of Dover Motorsports, Inc. (incorporated herein by reference to Exhibit A to our Proxy Statement dated March 30, 2010).

101 The following materials from the Dover Motorsports, Inc. annual report on Form 10-K for the year ended December 31, 2012, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Earnings (Loss) and Comprehensive Earnings (Loss) for the years ended December 31, 2012, 2011 and 2010; (ii) Consolidated Balance Sheets as of December 31, 2012 and 2011; (iii) Consolidated Statements of Cash Flows for the years ended December 31, 2012, 2011 and 2010; and (iv) Notes to the Consolidated Financial Statements.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DATED:	March 8, 2013	Dover Motorsports, Inc. Registrant	
		BY:	/s/ Denis McGlynn Denis McGlynn *President, Chief Executive Officer and Director*

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

/s/ Denis McGlynn Denis McGlynn	*President, Chief Executive Officer and Director* (Principal Executive Officer)	March 8, 2013
/s/ Timothy R. Horne Timothy R. Horne	*Sr. Vice President Finance, and Chief Financial Officer* (Principal Financial and Accounting Officer)	March 8, 2013

The Directors of the registrant (listed below) executed a power of attorney appointing Denis McGlynn and Timothy R. Horne their attorneys-in-fact, empowering them to sign this report on their behalf.

/s/ Henry B. Tippie Henry B. Tippie	*Chairman of the Board*	March 8, 2013
/s/ Kenneth K. Chalmers Kenneth K. Chalmers	*Director and Chairman of the Audit Committee*	March 8, 2013
/s/ Patrick J. Bagley Patrick J. Bagley	*Director*	March 8, 2013
/s/ Jeffrey W. Rollins Jeffrey W. Rollins	*Director*	March 8, 2013
/s/ John W. Rollins, Jr. John W. Rollins, Jr.	*Director*	March 8, 2013
/s/ R. Randall Rollins R. Randall Rollins	*Director*	March 8, 2013

/s/ Richard K. Struthers Richard K. Struthers	*Director*	March 8, 2013
/s/ Denis McGlynn Denis McGlynn	*As Attorney-in-Fact and Director*	March 8, 2013

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders

Dover Motorsports, Inc.:

We have audited the accompanying consolidated balance sheets of Dover Motorsports, Inc. and subsidiaries (the Company) as of December 31, 2012 and 2011, and the related consolidated statements of earnings (loss) and comprehensive earnings (loss) and cash flows for each of the years in the three-year period ended December 31, 2012. These consolidated financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dover Motorsports, Inc. and subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Dover Motorsports, Inc. and subsidiaries internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 8, 2013 expressed an unqualified opinion on the effectiveness of the Company s internal control over financial reporting.

KPMG LLP

Philadelphia, Pennsylvania

March 8, 2013

DOVER MOTORSPORTS, INC.

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

AND COMPREHENSIVE EARNINGS (LOSS)

(in thousands, except per share data)

	Years ended December 31, 2012	2011	2010
Revenues:			
Admissions	$ 10,428	$ 13,633	$ 16,363
Event-related	9,889	10,309	11,594
Broadcasting	26,404	27,778	26,872
Other	26	150	15
	46,747	51,870	54,844
Expenses:			
Operating and marketing	26,688	31,926	34,286
Impairment charges		15,687	809
General and administrative	7,560	8,329	9,786
Depreciation	3,314	4,588	5,825
	37,562	60,530	50,706
Gain from insurance settlement			398
Operating earnings (loss)	9,185	(8,660)	4,536
Interest expense, net	(1,396)	(2,245)	(2,360)
Other (expense) income	(48)	15	6
Provision for contingent obligation	321	(2,250)	
Loss on extinguishment of debt		(67)	
Earnings (loss) from continuing operations before income taxes	8,062	(13,207)	2,182
Income tax (expense) benefit	(3,491)	4,093	(1,470)
Earnings (loss) from continuing operations	4,571	(9,114)	712
Loss from discontinued operation, net of income tax benefit		(71)	(8,885)
Net earnings (loss)	4,571	(9,185)	(8,173)
Unrealized gain (loss) on available-for -sale securities, net of income taxes	27	(22)	18
Change in pension net actuarial loss and prior service cost, net of income taxes	(265)	(706)	(239)
Comprehensive earnings (loss)	$ 4,333	$ (9,913)	$ (8,394)
Net earnings (loss) per common share basic:			
Continuing operations	$ 0.12	$ (0.25)	$ 0.02
Discontinued operation			(0.25)

Net earnings (loss)	$	0.12	$	(0.25)	$	(0.23)
Net earnings (loss) per common share diluted:						
Continuing operations	$	0.12	$	(0.25)	$	0.02
Discontinued operation						(0.25)
Net earnings (loss)	$	0.12	$	(0.25)	$	(0.23)

The Notes to the Consolidated Financial Statements are an integral part of these consolidated statements.

DOVER MOTORSPORTS, INC.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)

	December 31, 2012		December 31, 2011	
ASSETS				
Current assets:				
Cash	$	15	$	15
Accounts receivable		224		689
Inventories		124		115
Prepaid expenses and other		1,222		1,255
Receivable from Dover Downs Gaming & Entertainment, Inc.				11
Deferred income taxes		78		67
Total current assets		1,663		2,152
Property and equipment, net		92,896		96,380
Other assets, net		738		783
Deferred income taxes		490		496
Total assets	$	95,787	$	99,811
LIABILITIES AND STOCKHOLDERS EQUITY				
Current liabilities:				
Accounts payable	$	145	$	116
Accrued liabilities		2,903		2,584
Income taxes payable		132		145
Deferred revenue		2,719		3,129
Total current liabilities		5,899		5,974
Revolving line of credit		19,700		29,160
Liability for pension benefits		3,065		2,713
Other liabilities		1,934		2,250
Deferred income taxes		17,096		14,765
Total liabilities		47,694		54,862
Commitments and contingencies (see Notes to the Consolidated Financial Statements)				
Stockholders equity:				
Preferred stock, $.10 par value; 1,000,000 shares authorized; shares issued and outstanding: none				
Common stock, $.10 par value; 75,000,000 shares authorized; shares issued and outstanding: 18,362,798 and 18,277,977, respectively		1,836		1,828
Class A common stock, $.10 par value; 55,000,000 shares authorized; shares issued and outstanding: 18,510,975 and 18,510,975, respectively		1,851		1,851
Additional paid-in capital		102,166		101,888
Accumulated deficit		(55,256)		(58,352)
Accumulated other comprehensive loss		(2,504)		(2,266)
Total stockholders equity		48,093		44,949
Total liabilities and stockholders equity	$	95,787	$	99,811

The Notes to the Consolidated Financial Statements are an integral part of these consolidated statements.

DOVER MOTORSPORTS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Years ended December 31, 2012	2011	2010
Operating activities:			
Net earnings (loss)	$ 4,571	$ (9,185)	$ (8,173)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:			
Depreciation	3,314	4,588	6,190
Amortization of credit facility fees	228	382	501
Stock-based compensation	313	407	662
Deferred income taxes	2,489	(4,935)	(4,128)
Provision for contingent obligation	(321)	2,250	
Loss on sale of land	52		
Impairment charges		15,687	8,773
Gain from insurance settlement			(398)
Loss on extinguishment of debt		67	208
Facility exit costs			324
Changes in assets and liabilities:			
Accounts receivable	465	150	421
Inventories	(9)	86	32
Prepaid expenses and other	(3)	174	(132)
Receivable from/payable to Dover Downs Gaming & Entertainment, Inc.	11	(29)	13
Accounts payable	29	(30)	(223)
Accrued liabilities	274	(965)	(253)
Income taxes payable	(13)	21	3
Deferred revenue	(410)	(515)	(2,287)
Other liabilities	(45)	(295)	(567)
Net cash provided by operating activities	10,945	7,858	966
Investing activities:			
Capital expenditures	(468)	(258)	(488)
Proceeds from sale of assets	585	1,875	129
Purchase of available-for-sale securities	(100)	(532)	(185)
Proceeds from sale of available-for-sale securities		526	179
Insurance proceeds			398
Restricted cash			5,333
Net cash provided by investing activities	17	1,611	5,366
Financing activities:			
Borrowings from revolving line of credit	21,300	60,700	32,600
Repayments on revolving line of credit	(30,760)	(69,740)	(35,400)
Dividends paid	(1,475)		
Repurchase of common stock	(27)	(52)	(50)
Credit facility fees		(431)	(415)
Repayments of bonds payable			(2,986)
Premium and fees on extinguishment of debt			(167)
Net cash used in financing activities	(10,962)	(9,523)	(6,418)
Net decrease in cash		(54)	(86)

Cash, beginning of year		15		69		155
Cash, end of year	$	15	$	15	$	69
Supplemental information:						
Interest paid	$	1,216	$	2,330	$	2,748
Income tax payments	$	1,015	$	781	$	812

The Notes to the Consolidated Financial Statements are an integral part of these consolidated statements.

DOVER MOTORSPORTS, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 Business Operations

References in this document to we, us and our mean Dover Motorsports, Inc. and/or its wholly owned subsidiaries, as appropriate.

Dover Motorsports, Inc. is a public holding company that is a leading marketer and promoter of motorsports entertainment in the United States. Through our subsidiaries, we own and operate Dover International Speedway® in Dover, Delaware and Nashville Superspeedway® near Nashville, Tennessee. Our Dover facility promoted the following six events during 2012, all of which were under the auspices of the premier sanctioning body in motorsports - the National Association for Stock Car Auto Racing (NASCAR):

- 2 NASCAR Sprint Cup Series events;
- 2 NASCAR Nationwide Series events;
- 1 NASCAR Camping World Truck Series event; and
- 1 NASCAR K&N Pro Series East event.

In 2013, we are scheduled to promote six events, all of which will be sanctioned by NASCAR and held at Dover International Speedway. Total revenues from these events were approximately 99%, 90% and 90% of total revenues for 2012, 2011 and 2010, respectively.

On July 20-22, 2012, the inaugural Firefly Music Festival (Firefly) was held on our property in Dover, DE for which we received a fee for the use of our property and a portion of the concession sales. The three day event was promoted by Red Frog Events and featured more than 40 musical acts. The Firefly event is scheduled to return June 21-23, 2013.

Nashville Superspeedway no longer promotes NASCAR events and did not seek sanction agreements from NASCAR for 2012 or 2013. We continue to use the track for motorsports race team testing and are currently evaluating all of our options for the facility. We incurred a non-cash impairment charge of $15,687,000 and severance costs of approximately $150,000 in the third quarter of 2011 as a result of our decision to no longer promote NASCAR events at this facility (see NOTE 3 Impairment Charges for further discussion). Additionally, in 2011 we recorded a $2,250,000 provision for contingent obligation reflecting the present value of the estimated portion of the Wilson County bonds debt service that may not be covered by the projected sales and incremental property taxes from the facility (see NOTE 13 Commitments and Contingencies for further discussion). Due to changing interest rates, the provision for contingent obligation decreased by $316,000, net, in 2012 and is $1,934,000 at December 31, 2012.

We closed our Gateway facility in the fourth quarter of 2010 and terminated all of our leases for the real property underlying the racetrack in 2011. In September 2012, we sold all but one parcel of land we owned at the Gateway facility for $585,000 and recognized a loss on sale of $52,000. We continue to own approximately 14 acres of undeveloped land near the Gateway facility (see NOTE 3 Impairment Charges and NOTE 4 Discontinued Operation for further discussion).

We closed our Memphis Motorsports Park facility in October 2009 and executed an agreement to sell it in December 2010. The real estate sale closed on January 31, 2011. After closing costs and including the proceeds from the separate sale of all personal property at the facility in December 2010, our net proceeds were approximately $2,000,000. Since the carrying amount of the long-lived assets of the Memphis facility exceeded the sales price, we recognized a non-cash impairment charge of $809,000 in the fourth quarter of 2010 (see NOTE 3 Impairment Charges for further discussion).

NOTE 2 Summary of Significant Accounting Policies

Basis of consolidation and presentation The accompanying consolidated financial statements include the accounts of Dover Motorsports, Inc. and our wholly owned subsidiaries. Intercompany transactions and balances have been eliminated.

Investments Investments, which consist of mutual funds, are classified as available-for-sale and reported at fair-value in other assets in our consolidated balance sheets. Changes in fair value are reported in other comprehensive earnings (loss). See NOTE 9 Pension Plans and NOTE 10 Stockholders Equity and NOTE 11 Financial Instruments for further discussion.

Accounts receivable Accounts receivable are stated at their estimated collectible amount and do not bear interest.

Inventories Inventories of items for resale are stated at the lower of cost or market with cost being determined on the first-in, first-out basis.

Property and equipment Property and equipment is stated at cost. Depreciation is provided for financial reporting purposes using the straight-line method over the following estimated useful lives:

Facilities	10-40 years
Furniture, fixtures and equipment	3-10 years

Impairment of long-lived assets Long-lived assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value. Generally, fair value is determined using valuation techniques such as the comparable sales approach. Historically the impairment assessment for track facilities has also considered the cost approach valuation technique, which gives specific consideration to the value of the land plus contributory value to the improvements. See NOTE 3 Impairment Charges for further discussion.

Income taxes Deferred income taxes are provided on all differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements based upon enacted statutory tax rates in effect at the balance sheet date. We record a valuation allowance to reduce our deferred tax assets when uncertainty regarding their realizability exists. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. We recognize the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that has a greater than 50% likelihood of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

As further discussed in NOTE 8 Income Taxes, interest expense on uncertain income tax positions, if any, is recorded in interest expense in the consolidated statements of earnings (loss) and comprehensive earnings (loss) and other liabilities in the consolidated balance sheets.

Revenue recognition We classify our revenues as admissions, event-related, broadcasting and other. Admissions revenue includes ticket sales for all of our events. Event-related revenue includes amounts received from sponsorship fees; luxury suite rentals; hospitality tent rentals and catering; concessions and souvenir sales and vendor commissions for the right to sell concessions and souvenirs at our facilities; sales of programs; track rentals and other event-related revenues. Broadcasting revenue includes rights fees obtained for television and radio broadcasts of events held at our speedways and any ancillary media rights fees.

Revenues pertaining to specific events are deferred until the event is held. Concession and souvenir revenues are recorded at the time of sale. Revenues and related expenses from barter transactions in which we provide advertising or other goods or services in exchange for sponsorships of motorsports events are recorded at fair value. Barter transactions accounted for $424,000, $598,000 and $626,000 of total revenues for the years ended December 31, 2012, 2011 and 2010, respectively.

Under the terms of our sanction agreements, NASCAR retains 10% of the gross broadcast rights fees allocated to each NASCAR-sanctioned event as a component of its sanction fee. The remaining 90% is recorded as revenue. The event promoter is required to pay 25% of the gross broadcast rights fees to the event as part of the awards to the competitors, which we record as operating expenses.

We are responsible for collecting sales taxes from our customers on certain revenue generating activities at our Midwest facilities and remitting these taxes to the appropriate governmental taxing authority. We include sales taxes in admissions and event-related revenues in our consolidated statements of earnings (loss) and comprehensive earnings (loss) with an equal amount in operating and marketing expenses. There were no sales taxes included in revenues or expenses for 2012. Sales taxes included in revenues and expenses for the years ended December 31, 2011 and 2010 were $143,000 and $156,000, respectively.

Expense recognition Certain direct expenses pertaining to specific events, including prize and point fund monies and sanction fees paid to various sanctioning bodies, including NASCAR, marketing and other expenses associated with the promotion of our racing events are deferred until the event is held, at which point they are expensed.

The cost of non-event related advertising, promotion and marketing programs is expensed as incurred. Advertising expenses were $1,093,000, $1,526,000 and $1,637,000 in 2012, 2011 and 2010, respectively.

Net earnings (loss) per common share Nonvested share-based payment awards that include rights to dividends or dividend equivalents, whether paid or unpaid, are considered participating securities, and the two-class method of computing basic and diluted net earnings per common share (EPS) is applied for all periods presented. The following table sets forth the computation of EPS (in thousands, except per share amounts):

		2012		2011		2010
Net earnings (loss) per common share basic:						
Net earnings (loss)	$	4,571	$	(9,185)	$	(8,173)
Allocation to nonvested restricted stock awards		67				
Net earnings (loss) available to common stockholders	$	4,504	$	(9,185)	$	(8,173)
Weighted-average shares outstanding		36,299		36,194		36,095
Net earnings (loss) per common share basic	$	0.12	$	(0.25)	$	(0.23)
Net earnings (loss) per common share diluted:						
Net earnings (loss)	$	4,571	$	(9,185)	$	(8,173)
Allocation to nonvested restricted stock awards		67				
Net earnings (loss) available to common stockholders	$	4,504	$	(9,185)	$	(8,173)
Weighted-average shares outstanding		36,299		36,194		36,095
Dilutive stock options						
Weighted-average shares and dilutive shares outstanding		36,299		36,194		36,095

Net earnings (loss) per common share diluted	$	0.12	$	(0.25)	$	(0.23)

For the years ended December 31, 2011 and 2010, weighted-average options to purchase 1,000 and 293,000 shares of common stock, respectively, were outstanding but not included in the computation of diluted EPS because they would have been anti-dilutive. There were no options outstanding during 2012.

Accounting for stock-based compensation We recorded total stock-based compensation expense for our restricted stock awards of $313,000, $407,000 and $662,000 as general and administrative expenses for the years ended December 31, 2012, 2011 and 2010, respectively. We recorded income tax (expense) benefits of ($4,000), $32,000 and $127,000 for the years ended December 31, 2012, 2011 and 2010, respectively, related to our restricted stock awards.

Use of estimates The preparation of the accompanying consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the reported amounts of assets and liabilities, disclosures about contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on our best estimates and judgment. We evaluate our estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which we believe to be reasonable under the circumstances. We adjust such estimates and assumptions when facts and circumstances dictate. Illiquid credit markets, volatile equity markets and declines in consumer spending have combined to increase the uncertainty inherent in such estimates and assumptions. As future events and their effects cannot be determined with precision, actual results could differ from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the consolidated financial statements in future periods.

NOTE 3 Impairment Charges

Impairment Charges Recorded in 2011

Based upon the economic conditions that existed in the third quarter of 2011 and their impact on our current and projected operations and cash flows at that time, and the potential impact on real estate valuations, combined with our decision to notify NASCAR that we would not seek 2012 sanction agreements, we concluded that it was necessary for us to review the carrying value of the long-lived assets at Nashville for impairment. The recoverability of assets to be held and used was measured by a comparison of the carrying amount of the asset to the estimated undiscounted future cash flows expected to result from the use and eventual disposition of the asset. As a result of the recoverability test, we concluded that the carrying amount of our Nashville facility exceeded the undiscounted cash flows.

Since the carrying amount of the assets exceeded the fair value, an impairment charge was recognized by the amount by which the carrying amount of the assets exceeded the fair value. Fair value of the assets for the Nashville facility was determined based on the value of owned real estate at the facility. The long-lived assets deemed to be impaired consisted of track facilities.

Based on the results of this analysis, we recorded a non-cash impairment charge in the third quarter of 2011 to write-down the carrying value of long-lived assets at our Nashville facility to fair value, as follows:

	Carrying Value of Long-Lived Assets	Fair Value of Long-Lived Assets	Non-Cash Impairment Charges
Nashville facility	$ 46,016,000	$ 30,329,000	$ 15,687,000

Impairment Charges Recorded in 2010

Based upon the economic conditions that existed in the second quarter of 2010 and their impact on our current and projected operations and cash flows at that time, and the potential impact on real estate valuations, combined with our decision to notify NASCAR that we would not seek 2011 sanctions for the two Nationwide Series and one Camping World Truck Series events at our Gateway facility, we concluded that it was necessary for us to review the carrying value of the long-lived assets at Gateway for impairment. The recoverability of assets to be held and used was measured by a comparison of the carrying amount of the asset to the estimated undiscounted future cash flows expected to result from the use and eventual disposition of the asset. As a result of the recoverability test, we concluded that the carrying amount of our Gateway facility exceeded the undiscounted cash flows.

Since the carrying amount of the assets exceeded the fair value, an impairment charge was recognized by the amount by which the carrying amount of the assets exceeded the fair value. Fair value of the assets for the Gateway facility was determined based on the value of owned real estate at the facility. The long-lived assets deemed to be impaired consisted of track facilities.

Based on the results of this analysis, we recorded a non-cash impairment charge in the second quarter of 2010 to write-down the carrying value of long-lived assets at our Gateway facility to fair value, as follows:

	Carrying Value of Long-Lived Assets	Fair Value of Long-Lived Assets	Non-Cash Impairment Charges
Gateway facility	$ 9,464,000	$ 1,500,000	$ 7,964,000

We closed our Memphis Motorsports Park facility in October 2009 and executed an agreement to sell it in December 2010. The real estate sale closed on January 31, 2011. After closing costs and including the proceeds from the separate sale of all personal property at the facility, our net proceeds were approximately $2,000,000. Since the carrying amount of the long-lived assets of the Memphis facility exceeded the sales price, we recognized a non-cash impairment charge of $809,000 in the fourth quarter of 2010.

NOTE 4 Discontinued Operation

The results of operations for our Gateway facility are being reported as a discontinued operation and accordingly, the accompanying consolidated financial statements have been reclassified to report separately the operating results of this discontinued operation.

Summarized results of operations for our Gateway facility are as follows for the years ended December 31, 2011 and 2010:

	2011	2010
Revenues	$ 2,000	$ 8,116,000
Impairment charge		7,964,000
Loss from discontinued operation before income taxes	(109,000)	(13,668,000)
Income tax benefit of discontinued operation	38,000	4,783,000
Loss from discontinued operation	(71,000)	(8,885,000)

There were no results of operations for our Gateway facility for 2012. Additionally, there were no assets or liabilities of the discontinued operation in the consolidated balance sheet as of December 31, 2012 or 2011.

NOTE 5 Property and Equipment

Property and equipment consists of the following as of December 31:

	2012	2011
Land	$ 46,245,000	$ 46,882,000
Facilities	85,209,000	84,941,000
Furniture, fixtures and equipment	6,794,000	6,633,000
	138,248,000	138,456,000
Less accumulated depreciation	(45,352,000)	(42,076,000)
	$ 92,896,000	$ 96,380,000

Depreciation expense was $3,314,000, $4,588,000 and $5,825,000 for the years ended December 31, 2012, 2011 and 2010, respectively.

NOTE 6 Accrued Liabilities

Accrued liabilities consist of the following as of December 31:

	2012	2011
Payroll and related items	$ 426,000	$ 328,000
Real estate taxes	997,000	955,000
Pension	707,000	662,000
Other	773,000	639,000
	$ 2,903,000	$ 2,584,000

NOTE 7 Long-Term Debt

At December 31, 2012, Dover Motorsports, Inc. and its wholly owned subsidiaries Dover International Speedway, Inc. and Nashville Speedway, USA, Inc., as co-borrowers, had a $60,000,000 secured credit agreement with a bank group. There was $19,700,000 outstanding under the credit facility at December 31, 2012, at an interest rate of 2.21%. The maximum borrowing limit under the facility reduces to $55,000,000 as of March 31, 2013 and the facility expires April 12, 2014. The credit facility provides for seasonal funding needs, capital improvements, letter of credit requirements and other general corporate purposes. Interest is based upon LIBOR plus a margin that varies between 200 and 325 basis points depending on the leverage ratio (200 basis points at December 31, 2012). The terms of the credit facility contain certain covenants including minimum interest coverage and maximum funded debt to earnings before interest, taxes, depreciation and amortization. Material adverse changes in our results of operations could impact our ability to maintain financial ratios necessary to satisfy these requirements. We expect to be in compliance with the financial covenants, and all other covenants, for all measurement periods during the next twelve months. In addition, the credit agreement includes a material adverse change clause and provides the lenders with a first lien on all of our assets. On October 2, 2012, the credit agreement was modified to allow us to repurchase shares of our common stock in the open market and/or pay dividends with respect to our common stock for an aggregate amount of not more than $2,500,000 in any fiscal year. The credit facility also provides that if we default under any other loan agreement, that would be a default under this facility. At December 31, 2012, we were in compliance with the terms of the credit facility. After consideration of stand-by letters of credit outstanding, the remaining maximum borrowings available pursuant to the credit facility were $20,371,000 at December 31, 2012; however, in order to maintain compliance with the required quarterly debt covenant calculations as of December 31, 2012 $18,691,000 could have been borrowed as of that date.

In 1996, Midwest Racing, Inc. entered into an agreement (the SWIDA bonds) with Southwestern Illinois Development Authority (SWIDA) to receive the proceeds from the Taxable Sports Facility Revenue Bonds, Series 1996 (Gateway International Motorsports Corporation Project), a Municipal Bond Offering, in the aggregate principal amount of $21,500,000. SWIDA loaned all of the proceeds from the Municipal Bond Offering to Midwest Racing for the purpose of the redevelopment, construction and expansion of Gateway International Raceway (Gateway).

We had established certain restricted cash funds to meet debt service as required by the SWIDA bonds, which were held by the trustee (BNY Trust Company of Missouri). Interest expense related to the SWIDA bonds was $100,000 for the year ended December 31, 2010 and is included in loss from discontinued operation in the accompanying consolidated statements of earnings (loss) and comprehensive earnings (loss).

On July 21, 2010, we redeemed the $1,751,000 of remaining outstanding SWIDA bonds for $1,909,000 (including a $158,000 premium to the bondholders). The redemption resulted in a loss on extinguishment of debt of $208,000 (including the premium, professional fees and the write-off of deferred financing costs) in 2010. Subsequent to redeeming the SWIDA bonds, the remaining restricted cash was returned to us by the trustee.

NOTE 8 Income Taxes

The current and deferred income tax (expense) benefit from continuing operations is as follows:

	Years ended December 31, 2012	2011	2010
Current:			
Federal	$ (136,000)	$	$
State	(866,000)	(803,000)	(815,000)
	(1,002,000)	(803,000)	(815,000)
Deferred:			
Federal	(2,520,000)	4,737,000	(579,000)
State	31,000	159,000	(76,000)
	(2,489,000)	4,896,000	(655,000)
Total income tax (expense) benefit	$ (3,491,000)	$ 4,093,000	$ (1,470,000)

A reconciliation of the effective income tax rate with the applicable statutory federal income tax rate is as follows:

	Years ended December 31, 2012	2011	2010
Federal tax at statutory rate	35.0%	35.0%	35.0%
State taxes, net of federal benefit	6.9%	3.4%	10.8%
Valuation allowance	(0.4)%	(6.4)%	14.9%
Non-deductible stock based compensation	1.6%		6.5%
Other	0.2%	(1.0)%	0.2%
Effective income tax rate	43.3%	31.0%	67.4%

Deferred income tax assets and liabilities are comprised of the following as of December 31:

	2012	2011
Deferred income tax assets:		
Accruals not currently deductible for income taxes	$ 2,429,000	$ 2,322,000
Net operating loss carry-forwards	13,947,000	16,477,000
Total deferred income tax assets	16,376,000	18,799,000
Deferred income tax liabilities:		
Depreciation	(20,739,000)	(20,812,000)
	(20,739,000)	(20,812,000)
Valuation allowance	(12,165,000)	(12,189,000)
Net deferred income tax liability	$ (16,528,000)	$ (14,202,000)
Amounts recognized in the consolidated balance sheets:		
Current deferred income tax assets	$ 78,000	$ 67,000

Noncurrent deferred income tax assets	490,000	496,000
Noncurrent deferred income tax liabilities	(17,096,000)	(14,765,000)
	$ (16,528,000)	$ (14,202,000)

Deferred income taxes relate to the temporary differences between financial accounting income and taxable income and are primarily attributable to differences between the book and tax basis of property and equipment and net operating loss carry-forwards (expiring through 2032). At December 31, 2012, we have available federal and state net operating loss carryforwards of $1,937,000 and $264,040,000, respectively. Valuation allowances which fully reserve the state net operating loss carryforwards, net of federal tax benefit, (decreased) increased in 2012, 2011 and 2010 by ($24,000), $1,777,000 and $973,000, respectively. We believe that it is more likely than not that the remaining federal deferred tax assets will be realized based upon reversals of existing taxable temporary differences.

Interest expense on uncertain income tax positions is recorded as a component of interest expense. The uncertain income tax positions related to the appropriate period to depreciate certain of our assets and do not affect our effective income tax rate or our reported earnings. During the years 2011 and 2010, our liability relating to uncertain income tax positions decreased by $1,241,000 and $2,028,000 from the expiration of the statute of limitations.

We recorded interest expense on our uncertain income tax positions of $125,000 in 2010. No interest expense was recorded on our uncertain income tax positions in 2012 or 2011. During 2011 and 2010, we reversed $122,000 and $878,000, respectively, of previously recorded interest expense on uncertain income tax positions which are no longer subject to examination. There is no accrued interest on uncertain income tax positions as of December 31, 2012 or 2011.

The following table sets forth the changes in our uncertain income tax positions for the years ended December 31, 2012, 2011 and 2010:

	2012	2011	2010
Uncertain income tax positions at beginning of year	$	$ 1,241,000	$ 3,269,000
Increases as a result of tax positions taken during prior years			
Decreases as a result of tax positions taken during prior years			
Decreases as a result of lapse of statute of limitations		(1,241,000)	(2,028,000)
Uncertain income tax positions at end of year	$	$	$ 1,241,000

We file income tax returns with the Internal Revenue Service (IRS) and the states in which we conduct business. We have identified the U.S. federal and state of Delaware as our major tax jurisdictions. As of December 31, 2012, tax years after 2008 remain open to examination for federal and Delaware income tax purposes.

NOTE 9 Pension Plans

We maintain a non-contributory tax qualified defined benefit pension plan that has been frozen since July 2011. All of our full time employees were eligible to participate in the qualified plan. Benefits provided by our qualified pension plan were based on years of service and employees remuneration over their employment period. Pension costs are funded in accordance with the provisions of the Internal Revenue Code. We also maintain a non-qualified, non-contributory defined benefit pension plan, the excess plan, for certain employees that has been frozen since July 2011. This excess plan provided benefits that would otherwise be provided under the qualified pension plan but for maximum benefit and compensation limits applicable under federal tax law. The cost associated with the excess plan is determined using the same actuarial methods and assumptions as those used for our qualified pension plan. The assets for the excess plan aggregate $680,000 and $525,000 as of December 31, 2012 and 2011, respectively, and are recorded in other assets, net, in our consolidated balance sheets (see NOTE 11 Fair Value Measurements).

On June 15, 2011, we decided to freeze participation and benefit accruals under our pension plans, primarily to reduce some of the impact on earnings and volatility in cash flows that can accompany the maintenance of a defined benefit plan. The freeze was effective July 31, 2011. Compensation earned by employees up to July 31, 2011 is used for purposes of calculating benefits under our pension plan with no future benefit accruals after this date. Participants as of July 31, 2011 continue to earn vesting credit with respect to their frozen accrued benefits as they continue to work. We accounted for the freeze of our pension plans in 2011, which resulted in a curtailment loss of $45,000, reduced our liability for pension benefits by $544,000 and increased comprehensive earnings by $589,000.

We created a new non-elective, non-qualified supplemental executive retirement plan (SERP) in connection with the freezing of our pension plan. The SERP has not been funded as of December 31, 2012. Its purpose is to provide deferred compensation to certain highly compensated employees that approximates the value of benefits lost by the freezing of the pension plan which are not offset by our enhanced matching contributions in our 401(k) plan. The SERP is a discretionary defined contribution plan and contributions made to the SERP in any given year are not guaranteed and will be at the sole discretion of our Compensation and Stock Incentive Committee. In 2012, we recorded an expense and a liability for $60,000 in liability for pension benefits in our consolidated balance sheets related to the SERP.

The following table sets forth the defined benefit plans funded status and amounts recognized in our consolidated balance sheets as of December 31:

		2012		2011
Change in benefit obligation:				
Benefit obligation at beginning of year	$	9,722,000	$	8,399,000
Service cost				153,000
Interest cost		454,000		491,000
Actuarial loss		735,000		1,399,000
Curtailment				(544,000)
Benefits paid		(188,000)		(176,000)
Other		13,000		
Benefit obligation at end of year		10,736,000		9,722,000
Change in plan assets:				
Fair value of plan assets at beginning of year		6,347,000		6,041,000
Actual gain (loss) on plan assets		714,000		(3,000)
Employer contribution		151,000		485,000
Benefits paid		(188,000)		(176,000)
Fair value of plan assets at end of year		7,024,000		6,347,000
Unfunded status	$	(3,712,000)	$	(3,375,000)

The following table presents the amounts recognized in our consolidated balance sheets as of December 31:

		2012		2011
Accrued benefit cost	$	(707,000)	$	(662,000)
Liability for pension benefits		(3,005,000)		(2,713,000)
	$	(3,712,000)	$	(3,375,000)

Amounts recognized in accumulated other comprehensive loss that have not yet been recognized as components of net periodic benefit cost at December 31 are as follows:

		2012		2011
Net actuarial loss	$	4,255,000	$	3,808,000
Prior service cost				
	$	4,255,000	$	3,808,000

The accumulated benefit obligation for our pension plans was $10,736,000 and $9,722,000, respectively, as of December 31, 2012 and 2011.

The components of net periodic pension cost for the years ended December 31, 2012, 2011 and 2010 are as follows:

	2012	2011	2010
Service cost	$	$ 153,000	$ 296,000
Interest cost	454,000	491,000	454,000
Expected return on plan assets	(508,000)	(526,000)	(463,000)
Curtailment loss		45,000	
Recognized net actuarial loss	80,000	139,000	127,000
Net amortization		10,000	22,000
	$ 26,000	$ 312,000	$ 436,000

For the year ending December 31, 2013, we expect to recognize the following amounts as components of net periodic benefit cost which are included in accumulated other comprehensive loss as of December 31, 2012:

Actuarial loss	$ 94,000

The principal assumptions used to determine the net periodic pension cost for the years ended December 31, 2012, 2011 and 2010, and the actuarial value of the benefit obligation at December 31, 2012 and 2011 (the measurement dates) for our pension plans are as follows:

	Net Periodic Pension Cost			Benefit Obligation	
	2012	2011	2010	2012	2011
Weighted-average discount rate	5.00%	6.10%	6.40%	4.40%	5.00%
Weighted-average rate of compensation increase	n/a	4.00%	4.00%	n/a	n/a
Expected long-term rate of return on plan assets	8.00%	8.50%	8.50%	n/a	n/a

For 2012, we assumed a long-term rate of return on plan assets of 8.00%. In developing the 8.00% expected long-term rate of return assumption, we considered our historical compounded return and reviewed asset class return expectations and long-term inflation assumptions.

Our investment goals are to achieve a combination of moderate growth of capital and income with moderate risk. Acceptable investment vehicles will include mutual funds, exchange-traded funds (ETFs), limited partnerships, and individual securities. Our target allocations for plan assets are 60% equities and 40% fixed income. Of the equity portion, 50% will be invested in passively managed securities using ETFs and the other 50% will be invested in actively managed investment vehicles. We address diversification by investing in mutual funds and ETFs which hold large, mid and small capitalization U.S. stocks, international (non-U.S.) equity, REITS, and real assets (consisting of inflation-linked bonds, real estate and natural resources). A sufficient percentage of investments will be readily marketable in order to be sold to fund benefit payment obligations as they become payable.

The fair values of our pension assets as of December 31, 2012 by asset category are as follows (refer to NOTE 11 Financial Instruments for a description of Level 1, Level 2 and Level 3 categories):

Asset Category	Total	Level 1	Level 2	Level 3
Corporate common stocks	$ 693,000	$ 693,000	$	$
Mutual funds/ETFs:				
Equity-large cap	1,416,000	1,416,000		
Equity-mid cap	622,000	622,000		
Equity-small cap	141,000	141,000		
Equity-international	992,000	992,000		
Fixed income	2,607,000	2,607,000		
Real estate	380,000	380,000		
Money market	173,000	173,000		
Total mutual funds/ETFs	6,331,000	6,331,000		
Grand total	$ 7,024,000	$ 7,024,000	$	$

The fair values of our pension assets as of December 31, 2011 by asset category are as follows (refer to NOTE 11 Financial Instruments for a description of Level 1, Level 2 and Level 3 categories):

Asset Category	Total	Level 1	Level 2	Level 3
Corporate common stocks	$ 646,000	$ 646,000	$	$
Mutual funds/ETFs:				
Equity-large cap	1,273,000	1,273,000		
Equity-mid cap	522,000	522,000		

Equity-small cap		128,000		128,000				
Equity-international		833,000		833,000				
Fixed income		2,388,000		2,388,000				
Real estate		341,000		341,000				
Money market		216,000		216,000				
Total mutual funds/ETFs		5,701,000		5,701,000				
Grand total	$	6,347,000	$	6,347,000	$		$	

We do not expect to be required to contribute to our pension plans in 2013.

Benefit payments are expected to be paid as follows:

2013	$	991,000
2014	$	354,000
2015	$	374,000
2016	$	378,000
2017	$	393,000
2018-2022	$	2,357,000

We also maintain a defined contribution 401(k) plan that permits participation by substantially all employees. Beginning on January 1, 2012, we increased our matching contributions to the 401(k) plan in connection with the freezing of our defined benefit pension plan. Our matching contributions to the 401(k) plan were $108,000 in 2012. Matching contributions were insignificant for 2011 and 2010.

NOTE 10 Stockholders Equity

Changes in the components of stockholders equity are as follows (in thousands, except per share amounts):

	Common Stock	Class A Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss
Balance at December 31, 2009	$ 1,806	$ 1,851	$ 100,943	$ (40,994)	$ (1,317)
Net loss				(8,173)	
Unrealized gain on available-for-sale securities, net of income tax expense of $13					18
Change in pension net actuarial loss and prior service cost, net of income tax benefit of $166					(239)
Issuance of restricted stock awards, net of forfeitures	16		(16)		
Stock-based compensation			662		
Repurchase and retirement of common stock	(2)		(48)		
Balance at December 31, 2010	1,820	1,851	101,541	(49,167)	(1,538)
Net loss				(9,185)	
Issuance of restricted stock awards, net of forfeitures	11		(11)		
Stock-based compensation			407		
Repurchase and retirement of common stock	(3)		(49)		
Unrealized loss on available-for-sale securities, net of income tax benefit of $14					(22)
Change in net actuarial loss and prior service cost, net of income tax benefit of $484					(706)
Balance at December 31, 2011	1,828	1,851	101,888	(58,352)	(2,266)
Net earnings				4,571	
Dividends paid, $0.04 per share				(1,475)	
Issuance of restricted stock awards, net of forfeitures	10		(10)		
Stock-based compensation			313		

Repurchase and retirement of common stock	(2)		(25)		
Unrealized gain on available-for-sale securities, net of income tax expense of $19					27
Change in net actuarial loss and prior service cost, net of income tax benefit of $182					(265)
Balance at December 31, 2012	$ 1,836	$ 1,851	$ 102,166	$ (55,256)	$ (2,504)

As of December 31, 2012 and 2011, accumulated other comprehensive loss, net of income taxes, consists of the following:

	2012	2011
Net actuarial loss and prior service cost not yet recognized in net periodic benefit cost, net of income tax benefit of $1,732,000 and $1,550,000, respectively	$ (2,523,000)	$ (2,258,000)
Accumulated unrealized gain (loss) on available-for-sale securities, net of income tax (expense) benefit of ($15,000) and $4,000, respectively	19,000	(8,000)
Accumulated other comprehensive loss	$ (2,504,000)	$ (2,266,000)

Holders of common stock have one vote per share and holders of Class A common stock have ten votes per share. There is no cumulative voting. Shares of Class A common stock are convertible at any time into shares of common stock on a share for share basis at the option of the holder thereof. Dividends on Class A common stock cannot exceed dividends on common stock on a per share basis. Dividends on common stock may be paid at a higher rate than dividends on Class A common stock. The terms and conditions of each issue of preferred stock are determined by our Board of Directors. No preferred shares have been issued.

We adopted a stockholder rights plan in 2006. The rights are attached to and trade in tandem with our common stock and Class A common stock. Each right entitles the registered holder to purchase from us one share of common stock. The rights, unless earlier redeemed by our Board of Directors, will detach and trade separately from our common stock upon the occurrence of certain events such as the unsolicited acquisition by a third party of beneficial ownership of 10% or more of our outstanding combined common stock and Class A common stock or the announcement by a third party of the intent to commence a tender or exchange offer for 10% or more of our outstanding combined common stock and Class A common stock. After the rights have detached, the holders of such rights would generally have the ability to purchase such number of either shares of our common stock or stock of an acquirer of ours having a market value equal to twice the exercise price of the right being exercised, thereby causing substantial dilution to a person or group of persons attempting to acquire control of us. The rights may serve as a significant deterrent to unsolicited attempts to acquire control of us, including transactions involving a premium to the market price of our stock. This rights agreement expires on June 13, 2016, unless earlier redeemed.

Effective October 2, 2012, we modified our debt agreement with our bank group to allow us to pay dividends and repurchase shares of our common stock, for an aggregate amount of not more than $2,500,000 in any fiscal year.

On July 28, 2004, our Board of Directors authorized the repurchase of up to 2,000,000 shares of our outstanding common stock. The purchases may be made in the open market or in privately negotiated transactions as conditions warrant. The repurchase authorization has no expiration date, does not obligate us to acquire any specific number of shares and may be suspended at any time. No purchases of our equity securities were made pursuant to this authorization during the years ended December 31, 2012, 2011 or 2010. At December 31, 2012, we had remaining repurchase authority of 1,634,607 shares.

During the years ended December 31, 2012, 2011 and 2010, we purchased and retired 23,779, 29,575 and 23,814 shares of our outstanding common stock at an average purchase price of $1.16, $1.76 and $2.10 per share, respectively. These purchases were made from employees in connection with the vesting of restricted stock awards under our 2004 Stock Incentive Plan and were not pursuant to the aforementioned repurchase authorization. Since the vesting of a restricted stock award is a taxable event to our employees for which income tax withholding is required, the plan allows employees to surrender to us some of the shares that would otherwise have vested in satisfaction of their tax liability. The surrender of these shares is treated by us as a purchase of the shares.

In April 2004, we established the 2004 Stock Incentive Plan (the 2004 Plan) which provides for the grant of up to 1,500,000 shares of our common stock to our officers and key employees through stock options and/or awards, such as nonvested stock awards, valued in whole or in part by reference to our common stock. The nonvested restricted stock vests an aggregate of twenty percent each year beginning on the second anniversary date of the grant. The aggregate market value of the nonvested restricted stock at the date of issuance is being amortized on a straight-line basis over the six-year service period. No stock options have been granted under the 2004 Plan. As of December 31, 2012, there were 500,824 shares available for granting of options or stock awards under the 2004 Plan.

There were no outstanding stock options as of December 31, 2011. No stock options were granted or exercised during the three year period ending December 31, 2012. The total fair value of stock options vested during the year ended December 31, 2010 was $1,000. There were no unvested stock options as of December 31, 2010. No compensation expense was recognized related to stock options for the years ended December 31, 2012, 2011 or 2010.

Nonvested restricted stock activity for the year ended December 31, 2012 was as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Nonvested at December 31, 2011	594,400	$ 2.66
Granted	148,000	$ 1.04
Vested	(129,000)	$ 3.67
Forfeited	(39,400)	$ 2.25
Nonvested at December 31, 2012	574,000	$ 2.04

The aggregate market value of the nonvested restricted stock at the date of issuance is being amortized on a straight-line basis over the six-year service period or the service period remaining until normal retirement age, if shorter. The total fair value of shares vested during the years ended December 31, 2012, 2011 and 2010 based on the weighted average grant date fair value was $474,000, $547,000 and $556,000, respectively. The grant-date fair value of nonvested restricted stock awards granted during the years ended December 31, 2012, 2011 and 2010 was $1.04, $1.78 and $2.09, respectively. We recorded compensation expense of $313,000, $407,000 and $662,000 related to restricted stock awards for the years ended December 31, 2012, 2011 and 2010, respectively. As of December 31, 2012, there was $568,000 of total unrecognized compensation cost related to nonvested restricted stock awards granted to employees under our stock incentive plan. That cost is expected to be recognized over a weighted-average period of 3.2 years.

NOTE 11 Fair Value Measurements

Our financial instruments are classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2: Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The following table summarizes the valuation of our financial instrument pricing levels as of December 31, 2012 and 2011:

	Total	Level 1	Level 2	Level 3
2012:				
Available-for-sale securities	$ 680,000	$ 680,000	$	$
2011:				
Available-for-sale securities	$ 525,000	$ 525,000	$	$

Our investments in available-for-sale securities consist of mutual funds. These investments are included in other assets, net on our consolidated balance sheets.

The carrying amounts of other financial instruments reported in the balance sheet for current assets and current liabilities approximate their fair values because of the short maturity of these instruments.

At December 31, 2012 and 2011, there was $19,700,000 and $29,160,000, respectively, outstanding under our revolving credit agreement. The borrowings under our revolving credit agreement bear interest at the variable rate described in NOTE 7 Long-Term Debt and therefore we believe approximate fair value.

The following table summarizes the valuation of our pricing levels for non-financial assets that are measured at fair value on a non-recurring basis as of December 31, 2011:

	Total	Level 1	Level 2	Level 3	2011 Losses
Long-lived assets held and used	$ 30,329,000	$	$	$ 30,329,000	$ 15,687,000

Fair value of the long-lived assets held and used was determined using a valuation methodology which gave specific consideration to the value of the owned real estate (refer to NOTE 3 Impairment Charges for further discussion).

NOTE 12 Related Party Transactions

During the years ended December 31, 2012, 2011 and 2010, Dover Downs Gaming & Entertainment, Inc. (Gaming), a company related through common ownership, allocated costs of $1,865,000, $1,963,000 and $1,977,000, respectively, to us for certain administrative and operating services, including leased space. We allocated certain administrative and operating service costs of $217,000, $347,000 and $222,000, respectively, to Gaming for the years ended December 31, 2012, 2011 and 2010. The allocations were based on an analysis of each company s share of the costs. In connection with our NASCAR event weekends at Dover International Speedway, Gaming provided certain services, primarily catering, for which we were invoiced $804,000, $855,000 and $928,000, during the years ended December 31, 2012, 2011 and 2010, respectively. Additionally, we invoiced Gaming $381,000, $397,000 and $353,000, during 2012, 2011 and 2010, respectively, for a skybox suite, tickets, display space, our commission for suite catering and other services to the events. As of December 31, 2012, there were no balances due between us and Gaming. The net costs incurred by each company for these services are not necessarily indicative of the costs that would have been incurred if the companies had been unrelated entities and/or had otherwise independently managed these functions; however, management believes that these costs are reasonable.

Prior to the spin-off of Gaming from our company in 2002, both companies shared certain real property in Dover, Delaware. At the time of the spin-off, some of this real property was transferred to Gaming to ensure that the real property holdings of each company was aligned with its past uses and future business needs. During its harness racing season, Gaming has historically used the 5/8-mile harness racing track that is located on our property and is on the inside of our one-mile motorsports superspeedway. In order to continue this historic use, we granted a perpetual easement to the harness track to Gaming at the time of the spin-off. This perpetual easement allows Gaming to have exclusive use of the harness track during the period beginning November 1 of each year and ending April 30 of the following year, together with set up and tear down rights for the two weeks before and after such period. The easement requires that Gaming maintain the harness track but does not require the payment of any rent.

Various easements and agreements relative to access, utilities and parking have also been entered into between us and Gaming relative to our respective Dover, Delaware facilities. We pay rent to Gaming for the lease of our principal executive office space. Gaming also allows us to use its indoor grandstands in connection with our two annual motorsports weekends. This occasional grandstand use is not material to us and Gaming does not assess rent for it; Gaming may also discontinue our use at its discretion.

In April of 2002, we spun-off our gaming business which was then owned by our subsidiary, Dover Downs Gaming & Entertainment, Inc. On a tax-free basis, we made a pro rata distribution of all of the capital stock of Gaming to our stockholders. Our continuing operations subsequent to the spin-off consist solely of our motorsports activities.

In conjunction with the spin-off of Gaming by us, the two companies entered into various agreements that addressed the allocation of assets and liabilities between the two companies and that define the companies relationship after the separation. Among these are the Real Property Agreement and the Transition Support Services Agreement.

The Real Property Agreement governs certain real property transfers, leases and easements affecting our Dover, Delaware facility.

The Transition Support Services Agreement provides for each of the two companies to provide each other with certain administrative and operational services. The party receiving the services is required to pay for them within 30 business days after receipt of an invoice at rates agreed upon by the companies. The agreement may be terminated in whole or in part 90 days after the request of the party receiving the services or 180 days after the request of the party providing the services.

Henry B. Tippie, Chairman of our Board of Directors, controls in excess of fifty percent of our voting power. Mr. Tippie s voting control emanates from his direct and indirect holdings of common stock and Class A common stock and from his status as trustee of the RMT Trust, our largest stockholder. This means that Mr. Tippie has the ability to determine the outcome of the election of directors and to determine the outcome of many significant corporate transactions, many of which only require the approval of a majority of our voting power.

Patrick J. Bagley, Kenneth K. Chalmers, Denis McGlynn, Jeffrey W. Rollins, John W. Rollins, Jr., R. Randall Rollins, Richard K. Struthers and Henry B. Tippie are all Directors of Dover Motorsports, Inc. and Gaming. Denis McGlynn is the President and Chief Executive Officer of both companies, Klaus M. Belohoubek is the Senior Vice President General Counsel and Secretary of both companies and Timothy R. Horne is the Senior Vice President Finance and Chief Financial Officer of both companies. Mr. Tippie controls in excess of fifty percent of the voting power of Gaming.

NOTE 13 Commitments and Contingencies

We lease equipment at our facilities with leases expiring at various dates through 2016. Total rental payments charged to operations amounted to $52,000, $96,000 and $116,000 for the years ended December 31, 2012, 2011 and 2010, respectively.

The minimum lease payments due under these leases are as follows:

2013	$	21,000
2014	$	15,000
2015	$	11,000
2016	$	1,000
2017	$	
Thereafter	$	

In September 1999, the Sports Authority of the County of Wilson (Tennessee) issued $25,900,000 in Variable Rate Tax Exempt Infrastructure Revenue Bonds, Series 1999, to acquire, construct and develop certain public infrastructure improvements which benefit the operation of Nashville Superspeedway, of which $19,600,000 was outstanding at December 31, 2012. Annual principal payments range from $800,000 in September 2013 to $1,600,000 in 2029 and are payable solely from sales taxes and incremental property taxes generated from the facility. These bonds are direct obligations of the Sports Authority and therefore have historically not been required to be recorded on our consolidated balance sheet. If the sales taxes and incremental property taxes (applicable taxes) are insufficient for the payment of principal and interest on the bonds, we would become responsible for the difference. In the event we were unable to make the payments, they would be made pursuant to a $19,929,000 irrevocable direct-pay letter of credit issued by our bank group. We are exposed to fluctuations in interest rates for these bonds.

As of December 31, 2012 and 2011, $1,758,000 and $1,534,000, respectively, was available in the sales and incremental property tax fund maintained by the Sports Authority to pay the remaining principal and interest due under the bonds. During 2012, we paid $957,000 into the sales and incremental property tax fund and $733,000 was deducted from the fund for principal and interest payments. If we fail to maintain the letter of credit that secures the bonds or we allow an uncured event of default to exist under our reimbursement agreement relative to the letter of credit, the bonds would be immediately redeemable.

On August 3, 2011, we announced that our wholly-owned subsidiary Nashville Superspeedway had notified NASCAR that it would not seek 2012 sanction agreements and therefore we no longer promote NASCAR events at this facility. Since the facility will no longer generate sales taxes from NASCAR sanctioned events, we have estimated that a portion of the debt service may not be covered by applicable taxes. As a result, we recorded a $2,250,000 provision for contingent obligation reflecting the present value of the estimated portion of the Wilson County bonds debt service that may not be covered by applicable taxes from the facility. Due to changing interest rates, the provision for contingent obligation decreased by $316,000, net, in 2012. The provision for contingent obligation is $1,934,000 at December 31, 2012. An increase in interest rates would result in an increase in the portion of debt service not covered by applicable taxes and therefore an increase in our liability.

We have employment, severance and noncompete agreements with certain of our officers and directors under which certain change of control, severance and noncompete payments and benefits might become payable in the event of a change in our control, defined to include a tender offer or the closing of a merger or similar corporate transactions. In the event of such a change in control and the subsequent termination of employment of all employees covered under these agreements, we estimate that the maximum contingent liability would range from $8,200,000 to $9,900,000 depending on the tax treatment of the payments.

To the extent that any of the potential payments or benefits due under the agreements constitute an excess   parachute payment   under the Internal Revenue Code and result in the imposition of an excise tax, each agreement requires that we pay the amount of such excise tax plus any additional amounts necessary to place the officer or director in the same after-tax position as he would have been had no excise tax been imposed. We estimate that the tax gross ups that could be paid under the agreements in the event the agreements were triggered due to a change of control could be between $1,300,000 and $3,000,000 and these amounts have been included in the maximum contingent liability disclosed above. This maximum tax gross up figure assumes that none of the payments made after the hypothetical change in control would be characterized as reasonable compensation for services rendered. Each agreement with an executive officer provides that fifty percent of the monthly amount paid during the term is paid in consideration of the executive officer s non-compete covenants. The exclusion of these amounts would reduce the calculated amount of excess parachute payments subject to tax. We are unable to conclude whether the Internal Revenue Service would characterize all or some of these non-compete payments as reasonable compensation for services rendered.

We are also a party to ordinary routine litigation incidental to our business. Management does not believe that the resolution of any of these matters is likely to have a material adverse effect on our results of operations, financial position or cash flows.

NOTE 14 Quarterly Results (unaudited)

		March 31		June 30(a)		September 30(b)		December 31(c)
Year Ended December 31, 2012								
Revenues	$	126,000	$	23,719,000	$	22,773,000	$	129,000
Operating (loss) earnings	$	(3,781,000)	$	8,596,000	$	8,151,000	$	(3,781,000)
Net (loss) earnings	$	(2,623,000)	$	5,018,000	$	4,532,000	$	(2,356 ,000)
Net (loss) earnings per common share basic	$	(0.07)	$	0.14	$	0.12	$	(0.07)
Net (loss) earnings per common share diluted	$	(0.07)	$	0.14	$	0.12	$	(0.07)
Year Ended December 31, 2011								
Revenues	$	130,000	$	26,381,000	$	2,916,000	$	22,443,000
Operating (loss) earnings	$	(4,722,000)	$	7,407,000	$	(20,345,000)	$	9,000,000
(Loss) earnings from continuing operations	$	(3,498,000)	$	3,901,000	$	(14,579,000)	$	5,062,000
Loss from discontinued operation	$	(68,000)	$		$	(2,000)	$	(1,000)
Net (loss) earnings	$	(3,566,000)	$	3,901,000	$	(14,581,000)	$	5,061,000
Net (loss) earnings per common share basic:								
Continuing operations	$	(0.10)	$	0.11	$	(0.40)	$	0.14
Discontinued operation								
Net (loss) earnings	$	(0.10)	$	0.11	$	(0.40)	$	0.14
Net (loss) earnings per common share diluted:								
Continuing operations	$	(0.10)	$	0.11	$	(0.40)	$	0.14
Discontinued operation								
Net (loss) earnings	$	(0.10)	$	0.11	$	(0.40)	$	0.14

(a) We promoted a NASCAR Nationwide Series event and a NASCAR Camping World Truck Series event at our Nashville Superspeedway facility during the second quarter of 2011. These events were not held in 2012.

(b) We promoted a NASCAR Sprint Cup Series event and a NASCAR Nationwide Series event at our Dover facility during the third quarter of 2012. These events were held in the fourth quarter of 2011.

We promoted a NASCAR Nationwide Series event and a NASCAR Camping World Truck Series event at our Nashville Superspeedway facility during the third quarter of 2011. These events were not held in 2012.

During the third quarter of 2011, we recorded non-cash impairment charges of $15,687,000 ($10,197,000 after income taxes) related to our long-lived assets at our Nashville Superspeedway facility. See NOTE 3 Impairment Charges.

During the third quarter of 2011, we recorded a provision for contingent obligation of $2,245,000 ($1,333,000 after income taxes) related to debt service for our Nashville Superspeedway facility. See NOTE 13 Commitments and Contingencies.

(c) We promoted a NASCAR Sprint Cup Series event and a NASCAR Nationwide Series event at our Dover facility during the fourth quarter of 2011. These events were held in the third quarter of 2012.

Per share data amounts for the quarters have each been calculated separately. Accordingly, quarterly amounts may not add to the annual amounts due to differences in the average common shares outstanding during each period.